

DAILY REPORT

Asia & Pacific

Vol IV No 219

13 November 1985

JAPAN

| | |
|--|-----|
| Abe, ROK Envoy Discuss USSR Olympic Attendance | C 1 |
| New Monetary Stabilization Plan Proposed | C 1 |
| OPEC Secretariat Official Warns of Oil Price War | C 2 |
| Takeshita on Interest Rate Liberalization | C 2 |
| PRK's Yos Son Hopes To Attend JCP Conference | C 3 |
| Third Consulate General To Open in China | C 3 |

NORTH KOREA

| | |
|---|---------------|
| Okinawa-Based U.S. Troops in South Denounced | D 1 |
| Repatriation of Japanese Squid Boat Detailed | D 1 |
| Reports, Speeches Made at Japan Chuche Seminar | D 2 |
| CPRF Statement Denounces Two Koreas Plot | D 3 |
| South's Call for UN Entry 'Cunning Trick' | D 4 |
| Correct Attitude Toward N-S Dialogue Urged | D 6 |
| [NODONG SINMUN 10 Nov] | |
| Yi Yong-su Speech Commemorates Kwangju Incident | D 8 |
| Chon's Remarks at Security Meeting 'Preposterous' | D 10 |
| [NODONG SINMUN 8 Nov] | |
| NODONG SINMUN on Chon Group's Arrest of Students | [1 Nov] D 11 |
| NODONG SINMUN Refutes Reagan Remarks on Invasion | [6 Nov] D 12 |
| NODONG SINMUN on October Revolution Anniversary | [7 Nov] D 12 |
| Press Day, Founding of NODONG SINMUN Marked | [31 Oct] D 15 |

SOUTH KOREA

| | |
|--|--------------------------|
| Police Break Up Antigovernment Demonstrations | E 1 |
| AFP Report | E 1 |
| Firebombing in Kwangju | [TONG-A ILBO 13 Nov] E 1 |
| Sit-In at Bank of America | [TONG-A ILBO 13 Nov] E 1 |
| Dissidents Continue Antitorture Sit-In for 2d Day | E 2 |
| [TONG-A ILBO 12 Nov] | |
| Police Add to Security for Local, Foreign Groups | E 2 |
| [THE KOREA HERALD 13 Nov] | |
| Lawmaker Says Government Bought Bad U.S. Coal | E 3 |
| Insurance Firms on Combatting U.S. Pressure | E 4 |
| Local, Taiwanese Businessmen on U.S. Protectionism | E 4 |

CAMBODIA

| | |
|--|-----|
| SPK Praises Soviet Assistance to Cambodia | H 1 |
| SPK Ridicules Sihanouk's UN Speech Offers | H 1 |
| Voice of Khmer Commentary on Aims of New Station | H 2 |

LAOS

| | |
|--|-----|
| Thai Aircraft Fly Over Sayaboury 10 November | I 1 |
| Indochinese Army Political Conference Reported | I 1 |
| Anniversary of October Revolution Celebrated | I 2 |
| Envoy's Reception | I 2 |
| PASASON Editorial [7 Nov] | I 2 |

THAILAND

| | |
|---|-----|
| THE NATION Reports Border Fire From Cambodia [12 Nov] | J 1 |
| Villagers Flee [BANGKOK WORLD 12 Nov] | J 1 |
| Prasong Comments on Repatriation of Lao Refugees [THE NATION 10 Nov] | J 2 |
| Prasong Denies Kissinger Remark on Kriangsak [BANGKOK POST 13 Nov] | J 2 |
| Army TV Criticizes MP, Cites MP on Politics | J 3 |
| Army Spokesman Supports Athit [BANGKOK WORLD 13 Nov] | J 4 |
| NAEO NA Asks Government Support for USSR Trade [8 Nov] | J 5 |
| Papers Reprimanded for Printing Reshuffle List [NAEO NA 8 Nov] | J 5 |

VIETNAM

| | |
|--|------|
| SRV Honors USSR Revolution's Anniversary | K 1 |
| Leaders' Greetings | K 1 |
| Party, Amity Groups Gather | K 2 |
| Soviet Envoy Gives Reception | K 4 |
| Soviet Envoy's Speech | K 4 |
| USSR's Chebrikov Saluted | K 7 |
| NHAN DAN Editorial [7 Nov] | K 7 |
| QUAN DOI NHAN DAN Editorial [7 Nov] | K 9 |
| NHAN DAN Terms UN Cambodia Resolution 'Brazen' [7 Nov] | K 11 |
| Indonesian Lawyers Delegation Concludes Visit | K 11 |
| FRG, Soviet Groups Send Aid to Stricken Areas | K 12 |
| Economic Delegation Departs for Moscow | K 12 |
| Nguyen Huu Tho Receives Cambodian Assembly Group | K 12 |

INDONESIA

| | |
|--|-----|
| Mokhtar Meets Czechoslovak Counterpart | N 1 |
| Mokhtar Hails Sihanouk's 'Cocktail Party' Idea | N 1 |
| Mokhtar Says No Territorial Ambition in PNG | N 1 |
| Talks on Border Crossing Held With Philippines | N 2 |
| Oil Companies Fire Workers With Communist Links [SINAR HARAPAN 5 Nov] | N 2 |

PHILIPPINES

| | |
|---|-----|
| Marcos: Foreign Commission Not To Oversee Election | P 1 |
| Paper on Possible Marcos-U.S. Conflict Over Poll [BUSINESS DAY 11 Nov] | P 1 |
| Marcos: Average Filipino Wants U.S. Bases To Stay [BUSINESS DAY 12 Nov] | P 3 |
| Editorial Views Cultural Effects of U.S. on Nation [BULLETIN TODAY 10 Nov] | P 4 |

| | |
|---|------|
| Tatad Accuses Marcos of Trampling on Constitution [BUSINESS DAY 11 Nov] | P 4 |
| Opposition MP's Criticize Election Bill No 7 [BUSINESS DAY 12 Nov] | P 6 |
| Opposition May Select Candidate by Consensus [BUSINESS DAY 12 Nov] | P 8 |
| Tolentino Urges Marcos To Resign Before Election [AFP] | P 9 |
| Aquino Case Decision To Be Given 20 November | P 10 |
| Agrava Board Members Deny 'Trial by Publicity' | P 10 |
| Cooperation Encouraged Between Philippines, PRC [PHILIPPINES SUNDAY EXPRESS 10 Nov] | P 11 |
| Philippines, Indonesia Discuss Border Crossing | P 12 |
| Virata Urges ASEAN-EEC Trade, Investment Growth | P 12 |
| Interbank Loan Rate Jumps to 40 Percent [TIMES JOURNAL 8 Nov] | P 12 |
| Papers Examine Central Bank Quarterly Report | P 13 |
| BUSINESS DAY Analysis [11 Nov] | P 13 |
| SUNDAY EXPRESS Article [10 Nov] | P 14 |

ABE, ROK ENVOY DISCUSS USSR OLYMPIC ATTENDANCE

OW130321 Tokyo KYODO in English 0243 GMT 13 Nov 85

[Text] Tokyo, Nov. 13 KYODO -- Foreign Minister Shintaro Abe Wednesday pledged Japan's resolve to press the Soviet Union to participate in the 1988 Seoul Olympics.

Abe made the pledge in a meeting with new South Korean Ambassador to Japan Yi Kyu-ho, who welcomed the Japanese minister's remarks, a ministry official said.

The foreign minister emphasized that the Seoul Olympics will be a "politically important" event to ease tensions on the Korean peninsula. He said he will solicit Soviet participation in the games in his January talks here with Soviet Foreign Minister Eduard Shevardnadze. Abe made the same request in a meeting with Shevardnadze in New York in September.

Abe also told Yi that the Tokyo government expects the intermittent dialogue between North and South Korea to make progress toward peace on the peninsula, the ministry official said after the brief meeting.

The official said Abe and Yi did not discuss Crown Prince Akihito's future visit to South Korea, a subject the ambassador had dwelt upon before taking up his Tokyo post.

NEW MONETARY STABILIZATION PLAN PROPOSED

OW130405 Tokyo KYODO in English 0338 GMT 13 Nov 85

[Text] Washington, Nov. 12 KYODO -- Takashi Hosomi, former vice finance minister for international affairs, Tuesday proposed a new plan for stabilizing exchange rates of key currencies -- the U.S. dollar, the Japanese yen and the West German mark -- to put the international monetary system on a more stable footing.

Hosomi, new president of the government's overseas cooperation fund, revealed his new idea to Japanese reporters as he was attending an international monetary conference in Washington, sponsored by some U.S. lawmakers.

Under his proposal, the U.S., West Germany and Japan would create an international monetary stabilization account, to be called IMSA, denominated in their own currencies with which they will issue bonds, sell or buy them when necessary to stabilize exchange rates.

In this way, he said, the three countries could avoid exchange risks involved in coordinated interventions by their central banks, now being undertaken to lower the value of the U.S. dollar in relation to other currencies as a result of the recent agreement to do so by the five major advanced countries -- Britain and France as well as the trio.

The new plan will also allow them to intervene in the foreign exchange markets without running down their foreign exchange reserves and national treasury, he said. But he cautioned that his idea would not work smoothly unless the three countries balance economic fundamentals such as inflation rate and growth rate.

Hosomi criticized as "unrealistic" any proposal for a return to a fixed exchange rate system from the present floating exchange rate system, or for creating a "target zone" among major currencies within which they would be allowed to fluctuate.

OPEC SECRETARIAT OFFICIAL WARNS OF OIL PRICE WAR

OW130357 Tokyo KYODO in English 0251 GMT 13 Nov 85

[Text] Tokyo, Nov. 13 KYODO -- A visiting high-ranking official of the Organization of Petroleum Exporting Countries (OPEC) Secretariat has warned that an oil price cutting war will occur unless OPEC and non-OPEC oil producers cooperate in restricting their production.

Addressing a group of reporters and oilmen in Tokyo Tuesday, James H. D. Audu confirmed a warning issued last Friday by Saudi Arabian Oil Minister Ahmad Zaki Yamani that such an oil war would trigger violent fluctuations of prices and send crude prices temporarily below 20 dollars a barrel next year.

Audu, a Nigerian and head of OPEC's Public Information Department, told his audience that national interests of both OPEC countries and non-OPEC oil producing countries lie in the long-term stability of crude prices, saying "I emphasize that all oil producing countries have a stake in this."

Noting OPEC countries have depended on oil exports for more than 90 percent of their national revenue, he said "We believe the time has come when OPEC can no longer afford to cut production to create stability in the market."

He also suggested that the "netback" pricing arrangements, adopted recently as part of a Saudi Arabian pricing strategy, could become the future pricing formula for all OPEC countries, saying, "the strategy ... is one of the formulas being discussed as a possible future OPEC oil price formula."

The "netback" pricing arrangements make up a pricing formula where the price of the crude is based on the value of the products refined, minus refining and transportation costs.

Commenting on routine violations of pricing and production agreements by OPEC members, he quoted Saudi King Fahd as saying, before the desert kingdom embarked on its netback deals, that Saudi Arabia too was going to violate the agreements, since everybody else was. He said, "We have an organization that has the capacity to produce 32 million barrels a day. That organization is producing about 16-17 million barrels a day deliberately out of an agreement. That, to me, speaks more of unity than anything else."

Saudi Arabia, which has acted as the staunchest defender of the OPEC price guidelines, this summer allowed its output to shrink to a 20-year low of around 2.5 million barrels a day from its capacity of 10 million barrels a day, while other cartel members blithely exceeded their quotas and discounted their oil, according to industry sources.

However, the most influential OPEC member country recently started selling its crude oil for the first time below official OPEC prices, which range from 26-29 dollars a barrel. Yamani confirmed the move at the closing day of OPEC's emergency summit meeting started October 3.

TAKESHITA ON INTEREST RATE LIBERALIZATION

OW121245 Tokyo KYODO in English 1234 GMT 12 Nov 85

[Text] Tokyo, Nov. 12 KYODO -- Finance Minister Noboru Takeshita Tuesday said that the liberalization of interest rates on small deposits will start around the spring of 1987.

Speaking at a plenary session of the House of Representatives, he said that interest liberalization for large deposits, started in October this year, will be expanded by stages until the spring of 1987. After that, he said, his ministry wants to begin the liberalization of interest rates on small deposits.

This marked the first time that the finance minister had referred to the schedules for interest liberalization in public.

The government's market-opening "action program," adopted in July, called for, among other things, the liberalization of interest rates on both large and small deposits.

Concerning medium- and small-scale banks, which will be affected by interest liberalization, Takeshita said that they should strive to improve their performance on their own rather than looking to the government for protection.

PRK'S YOS SON HOPES TO ATTEND JCP CONFERENCE

OW121059 Tokyo KYODO in English 1049 GMT 12 Nov 85

[Text] Tokyo, Nov. 12 KYODO -- A senior party official of the Vietnamese-supported Kampuchean leadership in Phnom Penh is seeking Japan's permission for a visit to attend a Japan Communist Party (JCP) convention here this month, the JCP said Tuesday.

Yos Son, a Central Committee member of the People's Revolutionary Party of Kampuchea, the ruling party behind the Heng Samrin government, hopes to attend the JCP convention scheduled to open November 19. But it would be very difficult for the government to grant the entry permit because Tokyo does not recognize the pro-Hanoi Heng Samrin government, government sources said. Japan recognizes the government of Democratic Kampuchea, a three-party anti-Hanoi Kampuchean coalition headed by Prince Norodom Sihanouk.

THIRD CONSULATE GENERAL TO OPEN IN CHINA

OW081329 Tokyo KYODO in English 1248 GMT 3 Nov 85

[Text] Beijing, Nov. 8 KYODO -- The Japanese Consulate General will be established in Shenyang, Liaoning Province, next January, embassy sources said Friday.

It will be the third Japanese Consulate General in China after Shanghai and Guangzhou. For the time being, the consulate general will operate from a Shenyang hotel.

OKINAWA-BASED U.S. TROOPS IN SOUTH DENOUNCED

SK130532 Pyongyang KCNA in English 0507 GMT 13 Nov 85

[Text] Pyongyang November 13 (KCNA) -- Okinawa-based U.S. imperialist aggression forces have made their way into South Korea and are staging a criminal war exercise, according to Japanese OKINAWA TIMES November 9. The war game codenamed "Bear Hunt-86" involves more than 4,000 men. The exercise which began late October will continue till November 25. The provocative war rehearsals conducted by the Japan-based aggression armed forces in South Korea every day under the cloak of "cold-endurance training" is another proof that the U.S.-Japan-South Korea three-way military alliance has already been formed and is operating practically.

REPATRIATION OF JAPANESE SQUID BOAT DETAILED

SK111516 Pyongyang KCNA in English 1505 GMT 11 Nov 85

[Text] Pyongyang November 11 (KCNA) -- Upon authorization the KOREAN CENTRAL NEWS AGENCY reports as follows: As already reported, on October 23 a naval patrol boat of the Korean People's Army which was on routine patrol duty apprehended the Japanese fishing boat "Eiho-Maru No. 83" which was catching fish after illegally intruding into the military boundary in the east sea of our country.

According to an investigation, the Japanese fishing boat "Eiho-Maru No. 83" is a squid catching boat belonging to the Ogawa Fishery Company of Japan and it committed an act of violation in illegally intruding into the military boundary of the Democratic People's Republic of Korea 16 times up to a point 39 degrees, 23 minutes and 5 seconds north latitude and 129 degrees, 52 minutes and 5 seconds east longitude, catching 21 tons of squids from October 7 to October 23 after leaving Hakodate port of Japan on October 3.

The naval patrol boat of the Korean People's Army signalled stop of sailing with an international navigational flag and loudspeakers scores of times to the Japanese fishing boat which had illegally intruded into the military boundary of our country. But the Japanese crewmen, far from responding to this, fled even covering up the number of the boat. In particular, at around 17 hours 25 minutes on October 23, the boat fled, suddenly crossing the course of our naval patrol boat which was nearly 40 metres away, only to collide with it and send itself to the bottom of the sea. All the crewmen of the boat were saved by our naval patrol boat. The skipper and crewmen of "Eiho-Maru No. 83" admitted that they must be punished for the fact that they illegally intruded into the military boundary of the Democratic People's Republic of Korea to catch fish and sent their boat to the bottom of the sea, while fleeing not responding to the control of the naval patrol boat of the Korean People's Army.

Although the crewmen of the Japanese fishing boat "Eiho-Maru No. 83" must be severely punished by the law of the DPRK for their criminal act, the organ concerned of the Democratic People's Republic of Korea decided to send back the skipper and all the crewmen of the boat, taking into consideration the fact that the crewmen of the boat frankly admitted their crime and apologized for it and entreated lenient pardon, the good neighbourly relations between the Korean and Japanese peoples and the lives of the poor fishermen of Japan. The crewmen of the Japanese fishing boat will leave after going through appropriate procedures. The Japanese organ concerned should take pertinent steps lest such case of violation in which Japanese fishing boats illegally intrude into the military boundary of our country and catch fish should occur again in the future.

[Dated] November 11, 1985, Pyongyang.

REPORTS, SPEECHES MADE AT JAPAN CHUCHE SEMINAR

SK121030 Pyongyang KCNA in English 1017 GMT 12 Nov 85

[Text] Pyongyang November 12 (KCNA) -- A report and speeches were made at the 20th National Scientific Seminar on the Chuche Idea held in Osaka, Japan.

Toshio Higashitani, chairman of the National Liaison Council of Societies for the Study of Works of President Kim Il-song, made the keynote report on the subject "Let us conduct energetic activities for the study of the chuche idea under the banner of Chajusong."

Noting that the chuche idea is a precious idea which the peoples of the developed capitalist countries must be guided by in building an independent and peaceful world, he said: The chuche idea, for its validity and vitality, has gripped today the hearts of the peoples of the capitalist countries who are struggling for independence and solidarity, against war and nuclear arms and for peace, and its study and dissemination is expanding in scale. We should further deepen the study and dissemination of the chuche idea on a world scale in the future and closely link it with the anti-war, anti-nuclear and peace movement, conscious of the role played by the chuche idea in preventing a new world war and defending peace.

Turning to the question of Korean reunification, the reporter said: The proposals for three-way talks and for inter-Korean parliamentary talks are most fair and aboveboard ones put forward by the Democratic People's Republic of Korea for the independent and peaceful reunification of Korea. They are acceptable to anyone who want the reunification of Korea. We expressed our warm support to the DPRK's proposals for three-way talks and inter-Korean parliamentary talks. He stressed that more chuche idea study organisations should be formed, brisk interchange be conducted among them and the ranks of the followers of the chuche idea be expanded.

Then followed discussions at subcommittees. Takeshi Kimura, chairman of the Niigata Prefectural Liaison Council for the Study of the Korean Affairs and the Chuche Idea, said at the theoretical subcommittee: The Korean people who have registered shining successes in the revolution and construction under the banner of the chuche idea over the last four decades are now waging a vigorous struggle for the reunification of the country and the modelling of the whole society on the chuche idea, united closely around President Kim Il-song and Secretary Kim Chong-il. He stressed that the achievements of the Korean people in the revolution and construction were a brilliant fruition of the unshakable unity and cohesion of the whole party and the entire people based on the blood ties between the leader and the popular masses.

Tsutomu Minagayama, member of the Tokyo Liaison Council for the Study of the Chuch Idea, said that Korea is a country where the working masses are the master. In no other country the popular masses work and live, helping each other, firmly united in ideology, as in Korea.

Noting that the Korean socialist system is one under which the chuche idea has been brought to a shining materialisation, he said: The source of the strength of the Korean working masses lies in the chuche idea. If a new labor movement is to be launched on the basis of the chuche idea, he stressed, man must always be placed at its starting point and it be made a man-centred movement.

CPRF STATEMENT DENOUNCES TWO KOREAS PLOT

SK090225 Pyongyang Domestic Service in Korean 0300 GMT 5 Nov 85

[Statement by the CPRF, issued on 4 November in Pyongyang]

[Text] Recently, multilateral dialogue is continuing between the North and the South of our country for national harmony, unity, and the peaceful reunification of the nation. Furthermore, some time ago, art troupes and home-visiting groups, though small in scale, visited Pyongyang and Seoul for the first time in 40 years, crossing the barriers of division, and shared compatriotic love and kindred sentiments. Thus, a significant event linking the bloodline of the fellow countrymen has been recorded.

Such a move on the part of the North and the South, between which there had long been only acute confrontation, cannot but be said to be a precious event on the path for peace and the peaceful reunification of the nation. Today, all the fellow countrymen and the peace-loving people of the world rejoice over the fact that the North and the South made an excellent start to hold wide-ranging dialogue to promote mutual harmony and to eliminate tension. They sincerely hope that the affirmative development of the situation will achieve good fruition at an early date, that peace in our country will be consolidated, and that the door of peaceful reunification will be opened widely. However, to our regret, ominous events are taking place today in South Korea, running counter to the nation's aspiration and the expectations of the world's people. As the dialogue is being deepened and time elapses, the South Korean side is undisguisedly carrying out splittist acts unfavorable to dialogue and laying obstacles to reunification. Without any justifiable reason, it refused to discuss, in dialogue, the issue of nonaggression to relax the tension in the nation. It is delaying the preliminary contact for parliamentary talks, using as a pretext its internal situation.

The South Korean side has not only strengthened the smear propaganda slandering us even while holding dialogue with us but has also staged daily war exercise rackets against us under the slogan of extermination of communism. It is viciously repressing the South Korean students and democratic figures demanding democracy, linking them with us. We cannot but pay due attention to the fact that the South Korean authorities are pursuing two Koreas, not one, while adhering to the double-dealing policy of dialogue on the one hand and confrontation on the other.

As has already been known, when attending the UN General Assembly session marking the 40th anniversary of the founding of the United Nations, the South Korean authorities openly advocated simultaneous entry and unilateral entry into the United Nations and solicited support for this. It even made a preposterous remark to us to the effect that we should take measures for the entry. Such acts by the South Korean authorities show that they do not want the reunification of the nation, and their purpose in holding dialogue with us is not reunification but permanent division.

The issue of entry of our divided country into the United Nations is an important issue linked with national reunification. The unilateral entry of one side of our divided country -- the North or the South -- into the United Nations would be harmful to national reunification. Even the simultaneous entry of the two parts into the United Nations would have serious consequences for national reunification. Thus, the theory of entry into the United Nations put forth by the South Korean authorities is a declaration for the nation's permanent division aimed at formalizing and internationalizing two Koreas through the arena of the United Nations.

In the 1970's, when dialogue was underway, the South Korean authorities published the 23 June special statement and declared two Koreas as their policy by putting forth the plan of simultaneous entry of the North and the South into the United Nations.

The call for entry into the United Nations made before that organization this time by the persons in authority in South Korea clearly proves that their basic stand toward the reunification question is essentially no different than their predecessors' two Koreas stand. We, as one party to dialogue, cannot but express deep concern and regret over the fact that the South Korean side talks about the need to alleviate tension in the country and to achieve its reunification when it sits with us face to face, but seeks the two Koreas policy, which runs counter to the real aim of dialogue and reunification, once it faces the other way.

In fact, if the persons in authority in South Korea continue to seek the creation of two Koreas, as they do today, we cannot but doubt what they, who have opposed our proposal for holding tripartite talks and have stressed only direct North-South dialogue, want to resolve, sitting with us face to face.

The entry into the United Nations of our country under the present state of division cannot be compatible with national reunification. We oppose and reject both simultaneous entry of the North and South into the United Nations and separate entry of one party into that organization, recognizing them as embodying the two Koreas policy. Our stand toward the question of entry into the United Nations is clear and firm. Our country should not enter the United Nations, simultaneously or separately, before it is reunified. We hold that if our country enters the United Nations before it is reunified, it should enter the international organization as one state, with a single name as a state, once a confederal system has been established.

The South Korean side should stop the act of coming up with such a splittist proposal as the 23 June special statement issued in a bid to create two Koreas. The South Korean side should stop the act of throwing a dark shadow over the road of dialogue and reunification by seeking confrontation within the nation and two Koreas, running counter to the expectation and desire of the entire nations. It should correct its two-faced attitude toward dialogue and instead show a sincere attitude toward dialogue for reconciliation and alleviation, which is dialogue for reunification. If the South Korean side continues to seek its two Koreas policy by repeating the splittist act of the 1970's which led North-South dialogue to a rupture, without learning a due lesson from it, this will result in the creation of a grave crisis in North-South dialogue once again.

[Dated] 4 November 1985, Pyongyang

SOUTH'S CALL FOR UN ENTRY 'CUNNING TRICK'

SK111158 Pyongyang Domestic Service in Korean 0840 GMT 10 Nov 85

[Unattributed talk: "The Theory of Entry into the United Nations Is the Product of Maneuvers To Perpetuate the Division of the Country"]

[Text] The great leader Comrade Kim Il-song has taught: While clamorously babbling about reunification in words only, the South Korean authorities have frantically run amok to concoct two Koreas by perpetuating division.

The maneuvers of the South Korean puppet clique to concoct two Koreas by hindering the country's reunification and by perpetuating division have recently been carried out in a much more perverse and wicked manner. Having formulated a plan for unilateral entry into the United Nations under the instigation of the U.S. imperialist and the Japanese reactionaries, the Chon Tu-hwan puppet clique is zealously trying to realize the script for two Koreas by sending special envoys to the United Nations.

The theory of entry into the United Nations advocated by the Chon Tu-hwan puppet clique is a cunning trick designed to realize the division of Korea in the name of the United Nations.

As is known, South Korea -- half of our country -- is a complete U.S. colony a military base occupied by the U.S. imperialist aggressive forces, and is not a country at all. The so-called regime that has been concocted in South Korea is a puppet regime maintained by the bayonets of the U.S. forces. This regime exists as a political tool designed to faithfully execute the U.S. imperialists' policy for colonial control.

Reference to enter the United Nations made by South Korea, thoroughly a colony of the United States, is a mockery of the UN Charter. The attempt of the South Korean puppet clique, which is not authorized to represent anyone, to be admitted into the United Nations is aimed at legalizing division and at disguising something as an independent country by applying to divided Korea the international practice of recognizing UN member-countries as independent countries. If the North or South of Korea is admitted into the United Nations separately, in a state of division, and if one side is admitted into the United Nations, the division of the people will be perpetuated as a result of the international recognition of our country, a country of a homogeneous people.

Today the South Korean puppets have advertised that entry into the United Nations is conducive to achieving peace and the reunification of Korea. However, this is nothing but a smoke screen designed to conceal their policy of confrontation and division. The basic cause of the heightening of tensions in Korea and of failure to achieve reunification comes not from the fact that the both sides or one side have not been admitted into the United Nations but from the fact that the country is divided, that the U.S. imperialists aggressive forces are nestling in South Korea, and that the Chon Tu-hwan ring has brazenly maneuvered to provoke a war of northward invasion, following the U.S. imperialists' policy of aggression and war.

The South Korean puppets are clamorously babbling about unilateral entry into the United Nations, not dispelling the sentiment of mistrust. They are not doing so for the sake of peace and reunification. While carrying out beggar-like diplomatic activities in New York, puppet Foreign Minister Yi Won-kyong recently opposed before reporters our the demand that the North and South of Korea be admitted into the United Nations after achieving reunification. He then raved that the merging of the North and South into one is infeasible, that he and his followers would never be put under the control of communists, and that they would struggle against communism at any cost. This clearly shows that the South Korean puppets do not desire reunification but the perpetual division of Korea.

Our party and the government of the republic have repeatedly made it clear that the parties concerned should not be admitted into the United Nations before the country is reunified, that entry into the United Nations should be realized as a single state after the attainment of reunification, and that entry into the United Nations should be realized under a single national title at least after the founding of a confederal system.

This proposal reflects the desire of all the Korean people to prevent the perpetual division of the country and the people and to achieve reunification, winning hearty support and approval from the peace-loving people of the world. This is proven by the fact that the 28th UN General Assembly, held more than 10 years ago, opposed and rejected a plan for simultaneous entry into the United Nations put forth by the U.S. imperialists and their stooges and adopted a decision supporting the grand three-point principle of the fatherland's reunification -- a principle clarified in the 4 July North-South joint statement.

The Chon Tu-hwan puppet clique will never be able to block the trend of the times, nor can it achieve success by shrouding its maneuvers for division in the cloak of the United Nations. The South Korean puppet prime minister recently disgraced himself greatly while participating in a meeting held to mark the 40th anniversary of the founding of the United Nations.

When the rascal appeared on the rostrum, the representatives of more than 50 countries, including the Soviet Union and China and all other socialist and nonaligned countries, simultaneously rose and walked out of the meeting hall, taking working-level functionaries with them. This shows that the maneuvers of the puppets for division have been mercilessly rejected on the UN stage. The people of the world as well as the Korean people will much more strongly denounce and reject the criminal maneuvers of the Chon Tu-hwan puppet clique to seek the perpetual division of the people.

CORRECT ATTITUDE TOWARD N-S DIALOGUE URGED

SK110320 Pyongyang Domestic Service in Korean 2128 GMT 10 Nov 85

[NODONG SINMUN 11 November special article: "Only a Correct Attitude Can Advance Dialogue"]

[Text] In his answers to questions raised by the responsible editor of KOMUNIST, the organ of the Central Committee of the League of Communists of Yugoslavia, on 3 October, the great leader Comrade Kim Il-song discussed prospects for reunification of our country and North-South talks. The great leader Comrade Kim Il-song's answers are arousing great reactions among our people and the world's peace-loving people as a programmatic guideline elucidating the basic stand and attitude that should be adhered to in dialogue to improve and develop North-South relations and promote reunification of the country.

National reunification is the supreme task of our people. Reunifying the country through contact and negotiation between the North and South is a consistent stand to which our party and the government of the republic have firmly adhered. Contact and negotiation are the only just way to independently and peacefully resolve the question of the country's reunification on a democratic principle. The question of reunification cannot be settled by a method in which one side forces its ideology and system on the other side, under the condition in which there exist different ideologies and systems in the North and South. Such a method will only give rise to confrontation and clashes and the deepening of division.

The times and the nation demand that the question of our country's reunification be settled not through use of armed forces, but through a peaceful method. Our party's policy of negotiation is a just one that reflects the interests of the nation and the demands of the times. At every stage of the developing situation, our party and the government of the republic have put forward a series of realistic and reasonable proposals, acceptable to everyone, and have made active efforts for their realization.

At present, economic talks and Red Cross talks are being held between the North and South, and preliminary contacts for parliamentary talks have been provided. These talks and contacts are arranged thanks to our repeated sincere efforts to improve and develop North-South relations and pioneer a peaceful phase for the settlement of the question regarding reunification. We hope that the ongoing North-South dialogue will bring about a good result, and that the door to a broad range of negotiations and multifaceted collaboration and exchange between the North and South will open wide and lead to the road of reunification.

If North-South dialogue is smoothly held in conformity with the expectations of the people and the ideology of national reunification, it can gradually develop into higher-level talks and, furthermore, high-level political talks between the North and South can be realized. We treasure hard-won dialogue, and devote everything to making it serve as a powerful driving force to restore ruptured national bonds in the political, economic, cultural, and social fields, as well as all other fields, and promote the reunification of the country by improving and developing North-South relations. The future prospects for dialogue depend upon the attitude and stand the South Korean side takes toward dialogue.

The great leader Comrade Kim Il-song has taught: Because dialogue is held between two sides, it cannot be successfully held with the efforts of one side only. To bring about a good result in North-South dialogue through smooth progress in the talks, the two sides to dialogue should take a sincere stand and attitude toward dialogue. North-South dialogue should become a reunification-oriented dialogue. To this end, the two sides should remove mutual distrust and misunderstanding, which have been accumulated in the course of continuing division, and promote national rapprochement and unity.

Sitting fact to face with each other without the will to promote national rapprochement and unity cannot help to improve and develop North-South relations and to realize the reunification of the country. We are trying to put an end to the state of continuing division and promote the reunification of the country by achieving unity precisely through dialogue and by improving North-South relations. This notwithstanding, the South side is dealing with dialogue with a stand and attitude totally different from ours. It adopts dialogue as a means not to achieve reunification, but to maintain and perpetual division. While talking about its advocacy of improvement of North-South relations, the South side is, in fact, inciting confrontation with us, conducting anticommunist propaganda. Since dialogue began, anticommunist propaganda has been further intensified.

Also, arms buildup and war exercises inciting confrontation with us through strength have been repeated in South Korea. While saying that it hopes that dialogue will contribute to reunification, the South side is hastening two Koreas, seeking cross-contact and cross-recognition behind the scenes of dialogue.

The South Korean prime minister visited New York, where the 40th UN General Assembly Session was held, conducted diplomacy of begging aimed at fabricating two Koreas among Western bloc countries, and delivered a speech requesting the separate entry of South Korea into the United Nations. The South side's attitude toward dialogue represents the stand of the United States, which does not want the reunification of our country, but tries to perpetuate the division of Korea and continue to hold fast to South Korea as a colony and a military base to check us and other countries in Asia.

The splittist acts of the South side cannot be compatible with the aspirations of the times and the nation for peace and peaceful reunification in Korea. The line of anti-communist confrontation cannot help to resolve the problem. If one side seeks the line of confrontation against the other side at a time when the two sides should pool their strength for the interests of the nation, surpassing differences in ideologies and systems, this will only bring about the result of throwing a wet blanket over dialogue.

If it wants to improve relations with us through dialogue, the South side should immediately give up the anachronistic line of anticommunist confrontation and sit face to face with us with an open mind. If it returns to the sincere stand of trying not to seek confrontation with us, but to genuinely resolve the question of the country's reunification, a bright vista will open for the future of North-South dialogue. The South side should break from the hidebound flunkeyist and nation-ruining stand of trying to perpetuate national division by following foreign forces, and return to the stand of national independence.

If the South side turns away from the aspirations of the people for dialogue and reunification and continues to go along the road of treacherous anticommunism, consequences will result. Reunifying the divided fatherland is the national desire of our people. No maneuvers of splittists at home and abroad can impede our people's advance movement for reunification. All Koreans, including the South Korean people and overseas compatriots, eagerly desire national reunification, and have actively struggled for its realization.

The world's people who treasure justice and peace also hope for peace and peaceful reunification in Korea, and express firm solidarity with our people's struggle for national reunification.

Our people's struggle for national dignity and sovereignty and the reunification of the country is just. We will certainly accomplish the historic cause of national reunification through the united patriotic forces in the North and South.

YI YONG-SU SPEECH COMMEMORATES KWANGJU INCIDENT

SK070031 Pyongyang Domestic Service in Korean 0100 GMT 4 Nov 85

[Excerpts] A report meeting of youths and students of Pyongyang City marking the 56th anniversary of the Kwangju student incident was held at the Central Hall of the LSWYK on 3 November. A portrait of the great leader of our party and people Comrade Kim Il-song was respectfully placed in front of the report meeting area. Hung on at the hall were the slogans reading "Long live the great leader Comrade Kim Il-song" and "Long live the glorious WPK."

Present at the report meeting along with youths and students of the city were Yo Yon-ku, director of the Secretariat of the DFRF Central Committee; Yi Yong-su, chairman of the LSWYK Central Committee; Chon Kum-chol, director of the CPRF Secretariat; and presidents and deans of many universities. The report meeting began with the playing of the national anthem. Chairman Yi Yong-su made a commemorative speech at the meeting.

He said: A long period of 56 years has passed since the Kwangju student incident. Nevertheless, the sovereignty of the nation, which was earnestly desired by those warriors and people who rose up in the anti-Japanese struggle, has not been achieved as a whole, and the South Korean youths, students, and people are still suffering the destiny of colonial slavery.

He said that the U.S. imperialist aggressors, who crept into South Korea in place of the Japanese imperialists, following the liberation, have turned South Korea into their complete colony and military base of aggression, and are imposing the most outrageous fascist colonial military rule unprecedented in history. He exposed that the U.S. imperialists are exercising the rights in all domestic and foreign policies of South Korea and the prerogative of supreme military command, freely commanding and mobilizing all human and material resources to implement their policy of aggression and war, and running amok in seeking the maneuvers of a new war against the northern half of the republic, while intensifying the schemes for U.S.-Japan-South Korea triangular military alliance. Branding that the U.S. imperialists are aggressors and not friends of the South Korean people, are plunderers and not aid providers, and are the continuous enemy of democracy and reunification, he noted that the criminal maneuvers of the U.S. imperialists are being further promoted by the flunkeyist nation-selling acts of such pro-U.S. stooges as traitor Chon Tu-hwan.

The speaker said: Traitor Chon Tu-hwan, who has usurped power under the protection of the guns and bayonets of the U.S. imperialist masters by promising that he would leave South Korea in their hands for good, is describing the occupation of South Korea by the U.S. imperialists' aggression troops as a protection, disguising the history of their aggression and plunder against South Korea as one of friendship and goodwill, and further deepening the submissive relations with Japan, while committing all kinds of nation-selling acts unhesitatingly.

Saying that the nation-selling acts of the puppet clique are, in particular, more clearly disclosed in actively supporting the U.S. imperialists' policy of war and ceaselessly seeking the new war provocation maneuvers, he noted that the wretches are intensifying actual war exercises in accordance with the so-called offensive strategy, and have completed combat readiness to attack the northern half of the republic at any time.

He said that the ugly appearance of the Chon Tu-hwan ring as colonial stooges is intensively disclosed in bestially suppressing and killing those youths, students, and people who rise up for the dignity and sovereignty of the nation and in feverishly seeking the criminal maneuvers for anticommunist confrontation and the permanent division of the nation behind the scene, while talking about dialogue and peaceful reunification when it is seated face to face with us.

He noted: Some time ago, the so-called puppet foreign minister [as heard] of South Korea raved that the integration of the North and the South is impossible, and that communism would be opposed to the bitter end at any cost. Moreover, rambling around on the back street of the 40th UN General Assembly, he conducted a begging diplomacy in asking for support of the proposal for the simultaneous entry of the North and the South to the United Nations and the proposal for South Korea's unilateral entry to the United Nations. He went on to add: This clearly shows that they are not interested at all in the reunification of the country, and are tenaciously seeking the permanent division of the nation for their long-term office.

He denounced the traitorous Chon Tu-hwan clique with the burning national indignation. He mentioned the anti-U.S., and antifascist struggle for democracy and national salvation vigorously and constantly waged in the 1960's, in the 1970's, and in the 1980's by the South Korean youths, students, and people, after realizing the cause of their misfortune and agony in the experience of their bitter living.

He noted that, at present, the struggle of the South Korean youths and students is becoming more systematic and popular with each passing day, and is developing into a united joint struggle participated in by workers, farmers, and people of all strata, and a joint struggle is also being staged actively. He said that he extends warm compatriotic support and encouragement to their patriotic struggle.

He stressed that, in order to satisfy the ardent desire of the South Korean youths, students, and people for the sovereignty, independence, democracy, and the peaceful reunification of the country at an early date, first of all, the U.S. imperialist aggressors must be made to withdraw from South Korea, and the U.S. imperialists' colonial rule must be ended. He stressed that the South Korean youths, students, and people must hold the anti-U.S. banner for independence more aloft, must continue to deal heavy blows to the U.S. imperialists, and must firmly smash their maneuvers for a new war and the U.S.-Japan-South Korea triangular military alliance.

He said: The U.S. imperialist aggressors must not continue to seek the adventurous war policy but withdraw from South Korea without delay, taking along their aggression forces, nuclear weapons, and all other lethal weapons. The Japanese reactionaries must give up the foolish dream to realize their old plan for the Greater East Asia Coprosperity Sphere by exploiting the U.S. imperialists' war maneuvers, and must stop seeking schemes to reinvade South Korea.

Saying that, along with the antforeign struggle for national sovereignty, antifascist struggle for democracy must be constantly and persistently carried out in South Korea, he said that the South Korean youths, students, and people must more unyieldingly wage the struggle to rescind the fascist evil laws, to abolish the fascist oppressive organizations, to achieve democratic freedom and rights, and to release those patriotic youths, students, and people who have been unjustly arrested and detained. He stressed: The South Korean side must immediately stop seeking the policy of two Koreas and creating artificial obstacles before dialogue and sincerely participate in dialogue with the stand the nation and reunification. The United States must not exploit the puppets to war, fascism, and the permanent division of the nation and must respond to our proposal for tripartite talks without delay.

Finally, the speaker stressed: By firmly arming themselves with the great leader's revolutionary ideology and firmly uniting around the respected and beloved leader and the glorious party center, all LSWYK members and youths in the northern half of the republic must bring about new upsurges on all fronts of the socialist construction. By so doing, they must fulfill this year's national economic plan ahead of schedule and vigorously struggle for the independent and peaceful reunification of the fatherland and for the consummation of the chuche revolutionary cause.

CHON'S REMARKS AT SECURITY MEETING 'PREPOSTEROUS'

SK090559 Pyongyang Domestic Service in Korean 2154 GMT 8 Nov 85

[NODONG SINMUN 9 November commentary: "Preposterous Remarks of Those Who Are Faced With a Crisis"]

[Text] On 7 November, the puppets held a farce called "The Seoul District Security Report Meeting." At this meeting, the puppet prime minister raved that the fierce disturbances by students will increase the possibility of the North's armed provocation, while making preposterous stereotyped remarks on the threat posed by someone. His remarks revealed his fascist intention to incite a sense of confrontation against the same people among the South Korean people and to repress the students who rose in the anti-U.S. and the antifascist struggle by linking them with us. This is shown by the background of the puppets' security report meeting.

Following the struggle of occupying the Seoul office of the U.S. Chamber of Commerce waged by the students in Seoul, the youths and students throughout South Korea have courageously risen up in the anti-U.S. and antifascist struggle, shouting such slogans as: "We oppose the U.S. pressure to open the market!", "Down with the military dictatorship!", and so forth. Frightened by this, the fascist clique intensified the guard around and patrol of aggressive organizations of the U.S. imperialists by mobilizing numerous repressive forces, and worked out emergency plans to cope with the students' struggle, covering Seoul with suppressive forces. Thus, it is frantically running amok with repression.

It is attempting to divert the attention of the students who rose in the struggle by talking as if southward invasion is imminent and holding government-patronized rackets throughout South Korea called "security report meetings." The situation, however, will not turn in the direction the puppets desire. The anti-U.S. and anti-puppet struggle of the South Korean youths and students is an eruption of their pent-up indignation against the colonial fascist rule of the U.S. imperialists and the Chon Tu-hwan clique. Having occupied South Korea for 40 years and acted as masters, the U.S. imperialists are trampling the people's national dignity and sovereignty underfoot. Having removed even their deceitful mask of being a supporter recently, they have taken measures to restrict imports while forcing the opening of markets. For fear of hurting its master's feelings, the Chon Tu-hwan clique has not put forth even a word of protest, instead flattering its masters by cruelly repressing the just patriots who are struggling against the atrocities of the colonial ruler.

The South Korean students have realized that as long as the U.S. imperialists' colonial rule and the nation-selling Chon Tu-hwan fascist clique exist, they cannot realize national dignity and sovereignty, human rights and the right to existence, and national reunification. Thus, they have risen in the struggle with death-defying resolution. Those who committed intolerable crimes against the nation are suppressing the patriots, branding them as criminals by linking them with us. This is a shameless and mean act.

The puppets also put forth honeyed words about dialogue, exchanges, and so forth during the meeting. No matter how many times those who are attempting to perpetuate division, going around the United Nations, and who are constantly staging anticommunist confrontation and northward aggressive war exercise rackets may babble about dialogue and exchange, no one will trust their remarks. The Chon Tu-hwan clique should give up foolish tricks and step down from power immediately in accordance with the demand of the South Korean people. Only the path of ruin awaits the nation-selling traitors.

NODONG SINMUN ON CHON GROUP'S ARREST OF STUDENTS

SK010639 Pyongyang KCNA in English 0614 GMT 1 Nov 85

[Text] Pyongyang November 1 (KCNA) -- It is not patriotic students or workers but Chon Tu-hwan and Co. who should be hanged on the gallows on charges of "high treason" in South Korea. NODONG SINMUN today says this in a commentary denouncing the Chon Tu-hwan group for having made public the "case of the committee for promotion of democracy" on October 29 and scheming to penalize scores of patriotic students en masse on charges of involvement in it.

Pointing out that the puppets are loudly advertising that they have "ferreted out" a "pro-communist organization profiting the enemy" clamouring that the "Committee for Promotion of Democracy" organized in October last year centering around students of Seoul University is a "pro-communist organisation" and the backstage force of the "Sammin Struggle Committee", the paper says: If the "results of investigation" made public by the Chon Tu-hwan group are true, South Korean students arrested this time are by no means criminals.

What the South Korean students and workers shouted are such slogans as "Away with the United States" and "Away with the foreign debt-ridden 'regime'." If the puppet rulers had accepted their demand, South Korea would not have been placed under the domination of foreign forces as it is today and would not have been saddled with more than 51,000 million dollars of foreign debts which are leading South Korea to ruin.

The struggle of South Korean students and workers for independence against U.S. imperialism and for democracy against fascism is an eruption of their pent-up resentment against the colonial fascist rule and the treacherous rule; it is a righteous struggle reflecting their vital demands for a new life and new policy and a struggle waged by them in accordance with their faith.

Nevertheless, the Chon Tu-hwan group brands South Korean students as "pro-communists" sharing the same ideas with the North and their fighting organisation as "one serving the interests of the enemy". This is nothing but a pretext to justify its fascist suppression and incite the consciousness of North-South confrontation. If students should be charged with being "pro-communists" and "profiting the enemy" for the reason that they put up the same demand as ours, how should the action of the South Korean authorities who shook hands and sat knee to knee with us, holding dialogue with us, be accounted for?

The Chon Tu-hwan group must lend an ear to the demand of the people and unconditionally and immediately set free the arrested patriotic students and figures and step down without delay.

MINJU CHOSON also prints a commentary flaying the Chon Tu-hwan group's suppression of students.

NODONG SINMUN REFUTES REAGAN REMARKS ON INVASION

SK060606 Pyongyang KCNA in English 0543 GMT 6 Nov 85

[Text] Pyongyang November 6 (KCNA) -- The fiction of "threat from the North" set afloat by the U.S. chief executive is an artifice to sidetrack the attention of the people from the criminal acts of the United States against peace in Korea and her peaceful reunification and step up war preparations, declares NODONG SINMUN Wednesday. It notes that Reagan at a recent news conference, in an effort to conceal the hideous color of U.S. imperialism as the provocatuer of the Korean war, alleged that someone "invaded the South" at that time, and made a foolish attempt to justify its brigandish act in having illegally used the U.N. signboard in its war of aggression in Korea.

Dismissing Reagan's outburst as a ridiculous sophism and scandalous distortion and fabrication, the paper says: The chief executive of the United States, the very man who is creating a grave danger of war and bringing tensions to the extreme pitch of strain on the Korean peninsula, while staging military exercises against the northern half of Korea every day, having deployed huge aggression forces and colossal quantities of death tools including nuclear and chemical weapons in South Korea, is raising a hue and cry over fictitious "threat of attack" from us who are making sincere efforts for a peaceful solution of the Korean question. What an effrontery.

The U.S. fiction of "threat from the North," is motivated by the filthy aim to justify the U.S. war line, especially, the U.S. forces' occupation of South Korea and the U.S. preparations for another Korean war. By crying over the "threat from the North" the U.S. President sought to lull the voices supporting the independent and peaceful reunification of Korea ringing out from the current 40th Session of the United Nations General Assembly and broad international arena. He, among other things, intends to soft-pedal the voices of the world people demanding of the United States an early implementation of the resolution of the 30th United Nations General Assembly calling for the dissolution of the "United Nations Command" in South Korea, withdrawal of the U.S. troops wearing the "U.N. forces" helmets, replacement of the Armistice Agreement with a peace agreement and the promotion of a peaceful solution of the Korean question, and to perpetuate the U.S. forces' occupation of South Korea.

Lurking behind this false propaganda is also the sinister scheme to veil the real cause of the tensions on the Korean peninsula and make Seoul the venue of the 1988 Olympic Games at any cost and lead our cosponsorship proposal to a breakdown. The United States must renounce its policy of division and war. It must withdraw its forces from South Korea at the earliest date in accordance with the resolution of the 30th United Nations General Assembly, wash its hands of the Korean question and refrain from acts obstructive to a peaceful reunification of Korea.

NODONG SINMUN ON OCTOBER REVOLUTION ANNIVERSARY

SK080950 Pyongyang Domestic Service in Korean 2122 GMT 6 Nov 85

[NODONG SINMUN 7 November editorial: "The 68th Anniversary of the Great October Socialist Revolution"]

[Text] Today, we mark the 68th anniversary of the Great October Socialist Revolution. On the occasion of this historic day, the Korean people extend warm greetings to the fraternal Soviet people.

The great leader Comrade Kim Il-song has clarified: The October Socialist Revolution, carried out by the Russian working class under the leadership of Lenin and the Bolshevik Party, was an important event that opened the new era of change from capitalism to socialism by overthrowing the domination of landlords and capitalists and by founding a state of workers and peasants.

The victory of the October Socialist Revolution was an important event that brought about a fundamental turn in the life of the Russian people and the development of human history. With the victory of the October Revolution, a state of workers and peasants, a new type socialist state, emerged for the first time in human history; the Russian working class and working masses were liberated from the darkness of tyranny, and then embarked on the road of becoming the masters of the country, the genuine masters of their destinies, and creating a new life; and a new historic era of change from capitalism to socialism began.

The gunshots of the October Revolution encouraged the working class and working people of the world, who were suffering under the oppression and tyranny of capitalists, to heroically struggle for class liberation and national liberation. By carrying out the October Socialist Revolution under the leaders of Lenin, the genius of mankind, and the Bolshevik Party, the Russian working class not only terminated the domination of the exploiting class in their country and opened the beginning of the building of a new society free from exploitation and oppression, but also made an immortal contribution to the cause of the liberation of the exploited peoples and the oppressed nations of the world.

Since the victory of the October Revolution, the Soviet people have traversed the arduous but honorable road of struggle under the leadership of the Communist Party, following and upholding the banner of October, the banner of Lenin.

Imperialists and all sorts of reactionary forces frantically tried to obliterate the first socialist state of the world in its very early stage and to stop its advance toward communism. However, the Soviet people have honorably defended the revolutionary gains by defeating repeated aggression, intervention, destruction, and sabotage by the enemies within and without. They have also outstandingly carried out the grand blueprints for socialist construction, including the collectivization of agriculture and socialist industrialization propounded by Lenin, while gallantly surmounting all sorts of difficulties and trials amid the enrichment of capitalist countries.

By heroically struggling in the period of the Second World War, the fraternal Soviet people not only defended the freedom and sovereignty of their fatherland, but also liberated the peoples in many countries in Europe and Asia from fascist rule and colonialist oppression, thus making a decisive contribution to saving human civilization. The Soviet people rapidly rehabilitated the destroyed national economy in the postwar period and, as a result, have transformed their country into a powerful socialist country with a developed economy, a powerful national defense capability, and modern science and technology.

Today, the fraternal Soviet people, under the correct leadership of the CPSU headed by Comrade Mikhail Sergeyevich Gorbachev, are effecting a political and labor upsurge in all fields and hastening the cause of the overall completion of socialist society by vigorously waging the struggle for implementing the decisions of the 26th CPSU Congress and the decisions of the April 1985 plenary meeting of the party Central Committee which put forward a realistic plan for advancing further along the road of communist construction.

The party's guiding role has been strengthened and the sense of organization, discipline, responsibility and creative zeal have been promoted in carrying out economic plans and overall works. An advance has been effected in intensifying the economy and developing science and technology.

Gigantic and complicated tasks for accelerating the development of the socialist economy have been successfully carried out. Thus, the might of the Soviet Union is being strengthened in all fields. The fraternal Soviet people are actively carrying out preparations for the 27th party congress, which will be a new milestone in development of the nation.

The Korean people congratulate the CPSU and the fraternal Soviet people on their successes and rejoice over them as their own. Today the Soviet Union is exercising great influence in the international arena as a powerful force for peace.

The CPSU, the Soviet Government and Soviet people are actively struggling to ensure peace and security of the world against the imperialists' policy of aggression and their new war provocation maneuvers. The Soviet Union put forth new proposals for preventing militarization of space, for ending the race in nuclear and other arms and for relaxing the situation of the world.

The recent Soviet proposal for totally banning offensive space weapons between the Soviet Union and the United States and for reducing by 50 percent nuclear weapons capable of reaching the other side's territory is of great significance. The Soviet Union also made a proposal for joint efforts for relaxing the tensions prevailing in the Asia and Pacific areas. The new peace-loving proposals by the Soviet Union reflect its sincere position of relaxing international tensions and eliminating the danger of a new war hanging over mankind. Thus, these proposals enjoy a broad range of support and welcome from the peace-loving countries and people.

Our party and the government of the republic fully support the just proposals and steps taken by the Soviet party and government to check and frustrate various maneuvers of the U.S. imperialists who are attempting to provoke a new global war -- the thermonuclear war -- and to safeguard peace and security in the world.

Korea and the Soviet Union are friendly neighbors. The Korean and Soviet peoples have been fighting together from the early days in order to achieve common ideals and aims, and closely support and cooperate with each other. The Soviet people and army smashed the Japanese militarists in World War II helped our people's cause for national liberation with blood. The Soviet Government recognized the DPRK before any other nation, established diplomatic relations with our republic.

In the difficult days of the Fatherland Liberation War against the U.S. imperialists' armed invasion and of postwar rehabilitation, the fraternal Soviet people offered both material and mental support to our people and are cooperating in our socialist construction today.

The Soviet party, government and people are demanding the withdrawal of U.S. troops from South Korea, opposing the two Koreas plot of the domestic and foreign splittists, and are expressing full support for and firm solidarity with our people's just cause for national reunification. This is great encouragement to our people. Our people are grateful for this and will always remember this. Indeed, friendly relations between Korea and the Soviet Union are genuine cooperative relations between class brothers which have been constantly strengthened and developed through the common struggle for peace and the victory of socialism and communism against imperialism under the banner of Marxism-Leninism and proletarian internationalism. They are invincible relations between revolutionary fighters.

Korea-USSR friendship, which has a long tradition, reached a new higher stage prompted by the great leader Comrade Kim Il-song's visit to the USSR last year and by the meetings and talks between the leaders of the two nations. It is expanding and developing in all domains. The congratulatory events held in August in our country to mark the 40th anniversary of the nation's liberation amid the participation by many delegations, including the Soviet party and state delegation and military delegation, were a powerful demonstration of the fraternal friendship and invincible militant unity between the Korean and Soviet peoples. The Korean people treasure the friendship and unity with the Soviet people and will make all efforts to further strengthen and develop the friendship and cooperative relations between the two nations. Strengthening Korea-USSR friendship is a great contribution to accelerating revolution and construction in both nations, to strengthening the unity and cohesion of the socialist countries and international communist movement, and to safeguarding peace in the world. Our people sincerely wish the fraternal Soviet people new successes in their work to expedite the perfection of socialist society, prepare for the 27th CPSU Congress, and in their struggle to safeguard peace and security of the world against the imperialists.

PRESS DAY, FOUNDING OF NODONG SINMUN MARKED

SK311034 Pyongyang KCNA in English 1014 GMT 31 Oct 85

[Text] Pyongyang October 31. (KCNA) -- Korea marks November 1, the birthday of NODONG SINMUN, the organ of the Central Committee of the Workers' Party of Korea, as day of the press every year. NODONG SINMUN Thursday dedicates a signed article headlined "The Press is Powerful Ideological Weapon for Socialist Construction" to this day. The paper notes that after achieving national liberation, the great leader Comrade Kim Il-song founded the party of a *chuche*-type, and its organ and many other publications immediately in its wake to open a new history of the *chuche*-oriented press in the liberated country. The publications of our party are of a *chuche* type which grew from strong roots nursed by the great leader in the course of his revolutionary press activities during the anti-Japanese revolutionary struggle when he was pioneering the revolutionary struggle when he was pioneering the revolutionary cause of *chuche*, and they have faithfully contributed to the cause of *chuche* from the very day of their birth, it notes, and says:

The militant might of the revolutionary publications of the working class is guaranteed only by the outstanding and seasoned guidance of the party and the leader. Comrade Kim Il-song not only founded the publications of our party in time but rightly indicated the direction and ways to be followed by the publications in each period and each stage of revolutionary development and wisely led them. Dear Comrade Kim Chong-il with his extraordinary intelligence and deep insight into the demand of the developing reality gave a new formulation of the position and role of the publications as a powerful ideological weapon contributing to modelling the whole society on the *chuche* idea, correctly defined the mission, tasks and principles of activities of the publications and thereby opened a broad avenue for the publications of our party to render distinguished service for the cause of socialism and communism. Our party centre advanced a unique policy to make revolution in newspaper and news service and publication and energetically guided propaganda through the press to be conducted in a new and big way. In this course the conventional frame and established practice that had chronically existed in the press were smashed. The publications, news service and radio have fully changed their looks to be the revolutionary press of a *chuche*-type and markedly raised their militant function and role. Great changes have also taken place in the ideological and moral traits, attitude towards creation and mode of activities of reporters and editors who are in charge of press propaganda. The immortal exploits achieved under the wise leadership of our party in the press are a fundamental cornerstone which makes it possible to constantly increase the militant might of the publications of our party. It is our sacred task to firmly defend and glorify through generations the immortal exploits performed by the party centre in the course of enriching, developing and brilliantly applying Comrade Kim Il-song's *chuche*-oriented idea of the press.

POLICE BREAK UP ANTIGOVERNMENT DEMONSTRATIONS

AFP Report

HK130946 Hong Kong AFP in English 0932 GMT 13 Nov 85

[Text] Seoul, Nov 13 (AFP) -- Some 400 students and garment workers today burned a police vehicle during an anti-government demonstration here to press for freedom for trade unions. Police said the demonstrators were throwing petrol bombs and one police bus was burned. Police rounded up some 160 demonstrators and quickly ended the protest, which had occurred across several streets, officials said. The demonstration was planned to commemorate the 15th death anniversary of a garment worker who immolated himself to dramatize workers' demands for a free trade union movement. A large force of riot police and plainclothesmen had been deployed at strategic points in Seoul.

Press reports from the southwestern city of Kwangju said some 20 university students today attacked an office of the Labour Ministry with petrol bombs, burning part of the office, also in a protest recalling the death anniversary. The government forced the disbanding of the garment workers union in particular with labour laws instituted several years ago.

In another incident, three students were arrested today after they stormed into a U.S. bank in the southern port city of Pusan to protest U.S. trade pressure on south Korea, press reports said. The students locked themselves inside the Bank of America's personnel lounge for about an hour before police raided to round them up. Nine years ago, 14 students occupied the Seoul office of the American Chamber of Commerce for two hours in an anti-U.S. demonstration before being hauled out by riot police. The national police has decided to mount guard on foreign missions and organizations in Seoul and other major cities against the possible attempts by students to occupy the premises, official sources said. South Korea lately has made a big issue of alleged strong pressure from the United States in the country to open its market to correct a trade surplus favouring Seoul.

Firebombing in Kwangju

SK130934 Seoul TONG-A ILBO in Korean 13 Nov 85 p 7

[Text] Kwangju -- (YONHAP) At around 0810 on the morning of 13 November, a fire broke out at the Kwangju office of the Labor Ministry from Molotov cocktails thrown by Chonnam University students, but was under control after 20 minutes, burning part of the first floor of the office. While gathering around the front and rear gates of the Kwangju office of the Labor Ministry, 20 to 30 students scattered leaflets entitled "Letter to Kwangju Citizens on the 15th Anniversary of Patriot Chon Tae-il's Death." Some of them entered the office by breaking 23 window panes in the front and rear gates and fled after throwing Molotov cocktails.

Sit-in at Bank of America

SK130956 Seoul TONG-A ILBO in Korean 13 Nov 85 p 7

[Text] Three male and female students of Pusan University entered the employees lounge of the Bank of America's Pusan Branch on the 3d floor of the KAL Building at 477, Chungang-dong, Chung-ku, Pusan at about 0915 on 13 November, seized the lounge, and staged a sit-in for about 50 minutes, demanding the United States withdraw its request for import liberalization.

These students, two of them male and one female, staged a sit-in, rushing into the bank's lounge for employees, locking the door from within, and putting a placard in the window. The students who staged the sit-in also put up two handwritten slogans at the site of the sit-in, one of which read: "Withdraw U.S. capital which strangles the ROK masses, and let us achieve self-reliant economy." The police, upon receiving the report, dispatched a riot control unit at about 1007, stormed into the lounge, and took the three students into custody some 50 minutes after they began the sit-in. The three students who were taken into police custody are Miss Kim Chom-ok, a senior in political science; Mr Choe Kyong-su, a junior in political science; and Mr Kim Hyon-chol, graduate of the business administration department after the first semester of 1985.

DISSIDENTS CONTINUE ANTITORTURE SIT-IN FOR 2D DAY

SK121102 Seoul TONG-A ILBO in Korean 12 Nov 85 p 11

[Text] A follow-up report: Some 110 off-stage opposition figures, including the members of the Joint Committee to Check Torture, staged a sit-in on the night of 11 November in the conference room of the Council for Promotion of Democracy [CPD] on the 10th floor of the Chinhung Building, Sosomun-dong, Chung-ku, Seoul, demanding that the government authorities stop acts of torture. They are continuing the sit-in on 12 November for the second consecutive day. They staged an overnight sit-in, having made beds in the conference room of the CPD and demanded that acts of torture be stopped immediately; the police officers who committed acts of torture be searched out and punished; the home minister and justice minister step down, taking responsibility for it; and the cause of the death of Mr U Chong-won, a Seoul National University student, made public. Mr Kim Yong-sam and Mr Kim Tae-chung, co-chairmen of the CPD, who participated in the first-day sit-in, left the site of the sit-in about 1800 on 11 November to meet New Korea Democratic Party [NKDP] President Yi Min-u.

Meanwhile, the police deployed some 1,000 men from 4 companies of the Combat Police and of plainclothes policemen around the office of the CPD as soon as the sit-in began, blocking the general public and students from coming near the CPD office.

POLICE ADD TO SECURITY FOR LOCAL, FOREIGN GROUPS

SK130040 Seoul THE KOREA HERALD in English 13 Nov 85 p 8

[Text] More domestic and foreign organizations will be guarded by police in order to prevent possible seizures by college students, a spokesman for the National Police Headquarters (NPH) said yesterday. At present, police stand guard at 11 major foreign and 109 domestic organizations, according to the spokesman. The number of domestic and foreign organizations guarded by policemen will increase in line with a special directive from Minister of Home Affairs Chong Sok-no, he said.

NPH sources said that major domestic organizations will be divided into three groups, A, B and C, depending on their status. Those placed in group A will be protected by increased police forces, the sources said. Police patrols will be strengthened around the organizations which belong to group B. Police will not be assigned to the organizations which belong to group C, the sources said. Instead, they will be urged to beef up their own security.

Seizure of public facilities by students since September include the Chongno branch office of the opposition New Korea Democratic Party on Sept. 2 Chongju chapter office of the ruling Democratic Justice Party on Sept. 9, the AmCham [American Chamber of Commerce] office and the Saemaul (New Community) Movement Headquarters both in Nov. 4 and the Labor Ministry's Suwon office yesterday.

LAWMAKER SAYS GOVERNMENT BOUGHT BAD U.S. COAL

SK120933 Seoul YONHAP in English 0923 GMT 12 Nov 85

[Text] Seoul, Nov. 12 (YONHAP) -- A ranking government official admitted that the anthracite coal that Korea imported from the United States from 1979 to 1982 was of poor quality, but denied an accusation that the imported coal contained petroleum coke, which has been said to be a health hazard.

Yun Su-kil, director of the Energy and Resources Ministry's Mining Affairs Bureau, said the U.S. coal contained excessive moisture and a low calory level, but did not contain petroleum coke, a residue created when petroleum is distilled. He also said that petroleum coke is not hazardous to the health.

The government imported a total of 1.27 million tons of anthracite from the United States on four occasions between 1979 and 1982, Yun said. The United States replaced 131,000 tons of the coal and reimbursed Korea with 1.79 million U.S. dollars for an additional 382,000 tons.

Yun said the remaining 330,000 tons, which are now being stored in the port city of Inchon, will be released after it is mixed with high-quality coal. His comments were in response to accusations made by an opposition lawmaker at a meeting of the National Assembly Trade and Industry Committee that the imported coal had created a health hazard in Korea.

Rep. So Sok-chae of the New Korea Democratic Party accused the government of having imported low-quality coal from the United States. He said that there has been a sharp increase in cases of coal briquette gas poisoning in the nation since Korea began to use imported U.S. coal in 1981.

In 1974, 391 cases of briquette gas poisoning were reported compared with 6,040 cases affecting 7,429 people in 1982, So said. Briquette gas poisoning affected 8,540 Koreans in 1983 and 10,813 in 1984, he added.

So accused the government of mixing petroleum coke in an effort to conceal the poor quality and to raise the calory level of the imported coal, of counterfeiting a content analysis certificate issued by the foreign institute, and of submitting fraudulent samples for importation.

He supported his accusations with copies of a Pennsylvania crime commission report released in February under the title of "petroleum fraud." The report said that the coal Korea imported from the United States contained petroleum coke. According to the report, petroleum coke, due to its high sulphur content, can be harmful to humans when burnt.

The report also said the shipment of U.S. coal to Korea involved fraudulent practices. It asserted that payments were made to Korean Government officials in return for "favorable treatment" in inspecting the quality of the substandard U.S. coal.

In response, Energy and Resources Minister Choe Tong-kyu said at the National Assembly committee meeting that an inspection by the state-run Dai Han Coal Corp. found that 513,000 tons of the 1.27 million tons of coal imported from the United States from 1979-82 was substandard but that no petroleum coke had been detected.

INSURANCE FIRMS ON COMBATING U.S. PRESSURE

SK130155 Seoul YONHAP in English 0145 GMT 13 Nov 85

[Text] Seoul, Nov. 13 (OANA-YONHAP) -- Representatives of South Korea's 13 non-life insurance firms reconfirmed their opposition to the opening of domestic insurance market. In a recommendation to the government adopted in their special meeting Tuesday, the board members of the Korea Non-Life Insurance Association said that the opening should be conditional, even if the opening would be unavoidable. They held the meeting to discuss countermeasures to the U.S. pressure to open the nation's insurance market. The insurance business executives said their opposition was based on the small scale of the market which has created excessive competition, underdeveloped techniques of the domestic businesses in risk management and insurance underwriting; and weak mortgage power of the domestic firms. As for fire insurance pool in which the United States has shown special interest, the recommendation said that the prohibition of U.S. firms' participation in the fire insurance pool has no legal defect because the fire insurance is mandatory under a special law and has strong public functions such as compensation and prevention of disasters.

Calling for a conditional approach even when the opening would be unavoidable due to overall trade policy, the recommendation suggested that the government may keep about 10 billion won (11.24 million U.S. dollars: one U.S. dollar is worth about 890 won) share of the nation's 36 billion won fire insurance pool off from the opening. The recommendation also called for the government to allow the U.S. firms' participation in the fire insurance pool step by step after a preparatory period enabling domestic firms to consolidate recruitment network and to improve techniques in insurance underwriting and risk management. In addition, the recommendation asserted that the U.S. firms should bear the same amount of burden in capital management including expansion of their branches' capital and deposit in the national investment fund as Korean companies when they are allowed to take part in the fire insurance pool. The National Investment Fund has been set up by the government to support the nation's investment in major industries to improve their competitive power.

LOCAL, TAIWANESE BUSINESSMEN ON U.S. PROTECTIONISM

SK090328 Seoul YONHAP in English 0241 GMT 9 Nov 85

[Text] Seoul, Nov. 9 (OANA-YONHAP) -- South Korea and Taiwan have agreed to work together to check the growth of protectionism in the United States, a Federation of Korean Industries (FKI) official said Saturday. The two East Asian nations are concerned that increased U.S. protectionism would profoundly affect their exports and future economic growth, the official said. The two sides expressed their concerns in a joint statement issued at the end of the 18th joint conference of the Council for Korean-Chinese Economic Cooperation, held Friday in Taipei. Prior to the joint conference, the textile subcommittee and the iron and steel subcommittee held separate meetings in which they discussed ways to enhance bilateral cooperation.

In view of the potential threat of the Jenkins bill, now awaiting the signature of President Reagan, and other U.S. protectionist measures, the participants decided to set up a special textile coordination committee that will implement effective counter measures, the official said. In the iron and steel subcommittee meeting, the businessmen agreed to work together against protectionism; to exchange information about technology marketing and sales; and to improve coordination, in order to boost bilateral trade. The two sides also agreed to expand their exchange program for owners of small- and medium-sized businesses and to avoid overheated competition in order to gain a larger share of the world market, the official said. Participating in the meeting were 50 Korean and 100 Chinese businessmen.

SPK PRAISES SOVIET ASSISTANCE TO CAMBODIA

BK081241 Phnom Penh SPK in English 1113 GMT 8 Nov 85

[Text] Phnom Penh SPK November 8 -- The Soviet Union, consistently upholding the spirit of proletarian internationalism initiated by the great Lenin, has devotedly assisted the People's Republic of Kampuchea in national construction and development.

The Kampuchean people have received from the Soviet Union tractors, trucks, materials, technical equipment, textile goods, medicines, and other kinds of material aid. Soviet experts have come to Kampuchea to help reopen the river port of Phnom Penh and the sea port of Kompong Som, restore rubber production, and restore other productive activities. Also thanks to Soviet assistance, a technical institute and a big hospital in Phnom Penh have reopened. Soviet specialists are also helping peasants to boost agriculture. In 1984, an agreement was signed in the Soviet Union on the creation of a USSR-Kampuchea inter-government committee for economic, commercial and technological cooperation.

Diplomatically, together with other fraternal socialist countries, the Soviet Union has firmly supported the just stand and all the constructive proposals and peace initiatives of the PRK and opposed all interference in its internal affairs. The Soviet Union has worked tirelessly for the occupation of the Kampuchean seat at the United Nations and other world organizations by the PRK, the only legitimate representative of the Kampuchean people, thus causing the prestige of the PRK to rise higher and higher in the world arena and public opinion to become more and more in favour of this country.

SPK RIDICULES SIHANOUK'S UN SPEECH OFFERS

BK121146 Phnom Penh SPK in English 1103 GMT 12 Nov 85

["Apologist"--SPK headline]

[Text] Phnom Penh SPK November 12 -- Sihanouk has taken upon himself the thankless task of pleading for the Pol Pot clique -- his one-time tormentor and the torturer of a whole nation -- and, so doing, has held himself up to ridicule. What he said at the United Nations recently amply proved his incurable egomania and megalomania, and also his complete ignorance of reality.

Listening to his bombastic, patronizing tone, one might think he was on the point of making a triumphal entry into Phnom Penh at the head of a powerful "liberation army" and was ready to grant a "general pardon" to this people and shower "favours" on them. How magnanimous of him! What a fecund imagination he had! But really, the man must have taken leave of his senses! Who did he think he was? A lily-white Sihanouk, or a Sihanouk morally and politically discredited for his too many aboutfaces? A man of honour, or one who deserted his people at the slightest sign of trouble? A man of principle, or one who is quick to go back on his word, and who is so shamelessly collaborating with murderers and their patrons? And, finally, a realist, or a day dreamer?

Sihanouk should know that gone were the days when he said "turn" and people would turn. That was before he packed up and left in a hurry during the U.S. aggression in Indochina before he allowed himself to be taken hostage by China and its henchmen, before he made peace with the Pol Pot clique and made war on his own people. Sihanouk has been out of touch with reality in his country for so long, or he would have realized that what he used to regard as his "subjects" are now the true master of Kampuchea, that they have set up a government of their own choice and have opted for socialism as their own path of development. And were he not so transported by his runaway imagination, Sihanouk might realize that he is not going to impose his will on the Kampuchean people, but it is we who shall dictate our terms to him. And before that, he must learn to know his place!!

VOICE OF KHMER COMMENTARY ON AIMS OF NEW STATION

BK090642 (Clandestine) Voice of the Khmer in Cambodian 2300 GMT 8 Nov 85

[Text] Dear listeners, in our commentary today we would like to tell you about the idea behind the setting up of the Voice of Khmer radio station and its brief history. The Voice of Khmer radio station is intended to serve all Cambodian people throughout Cambodia like other stations throughout the world with an international character. The Voice of Khmer wants the Cambodian people to receive a general and extensive program that does not force them to receive only what has come out of a narrow path as practiced by communists on their own people. The Voice of Khmer radio wants to see the Cambodian people free and independent and wants them to listen to only genuine news that does not lie, deceive, or disseminate false information, so that our Cambodian people are aware of national and international issues, can reflect upon them, and are immune from being cheated by other races or nations to serve the latter's own interests.

A bad point we have noticed about other stations is that they tell lies to cheat listeners, to trick them into serving a policy dictated by the power holders. This kind of radio station provides listeners with only narrow-minded information and only lets them have a little knowledge, like a frog in a well. This is what the Voice of Khmer will try to avoid. We broadcast only what we have received from genuine sources. We could mistakenly tell you something but we will not hesitate to admit or correct it, because this is a mistake that can happen to any station in the world.

For entertainment, despite our shortcomings, we try to select whatever we can lay our hands on to serve, on the one hand, the sentiments of every Cambodian listener, and on the other, to contribute to safeguarding the nation's culture and civilization, which are being threatened into extinction by foreigners. What we think is beneficial to the Cambodian people, we will try to pass on through our programs.

It is with these intentions that the Voice of Khmer radio station has been set up despite the fact that we are facing pressure from the Vietnamese aggressors. In spite of all this -- lack of material and means -- the Voice of Khmer should be set up and should go on to achieve its aim of serving its beloved compatriots who are being cheated and deceived by socialist radio stations.

The Voice of Khmer was born in zones controlled by Cambodian resistance forces in April 1981. Then, we had only a tape recorder and a loudspeaker at our disposal. We used this to serve Cambodian people living in liberated zones. Later on, in 1982, we had a small radio station that could be heard only in liberated zones within a radius of about 10 square kilometers. In 1983, we had two radio stations; one set up by the Khmer People's National Liberation Front, and the other by FUNCINPEC [National United Front for an Independent Neutral, Peaceful, and Cooperative Cambodia]. These stations can be heard only in areas along the Cambodian-Thai border. In November 1985, the Voice of Khmer was expanded so that Cambodians throughout the country could hear the station on the shortwave band of 6325 khz, or 49 meters. Whether the Voice of Khmer can set up good programs or not, it will adhere to the same principle of serving the Cambodian people in a liberal manner -- that is disseminating only true information to Cambodian listeners. It will not lie or cheat and will be willing to take criticism, admit mistakes, and gradually improve until it becomes a close friend of the Cambodian people, no matter which political grouping they belong to. The Voice of Khmer serves only Cambodian interests and will always oppose foreigners who want to annex Cambodian territory and destroy Cambodian culture and civilization.

THAI AIRCRAFT FLY OVER SAYABOURY 10 NOVEMBER

BK111426 Vientiane Domestic Service in Lao 1400 GMT 11 Nov 85

[Text] According to local news reports, on 10 November the Thai ultrarightist reactionaries sent two sorties of L-19 aircraft to fly reconnaissance missions violating Lao airspace over the three villages in Ban Mai Canton, Paklai District, Sayaboury Province. The aircraft flew some 8 to 9 km inside Lao territory. On the same day, they also sent a jet airplane to violate Lao airspace over the same areas on three occasions, on one of which it flew as far as 4 km into Laos. The Lao Army and people resolutely demand that the Thai ultrarightist reactionaries end such acts, which are a new challenge and provocation against the LPDR. If they continue arrogantly to conduct such acts, they must bear full responsibility for all consequences.

INDOCHINESE ARMY POLITICAL CONFERENCE REPORTED

BK110917 Vientiane Domestic Service in Lao 0430 GMT 11 Nov 85

[Text] After an urgent and strict work session, the third annual traditional conference of delegations of leading army political cadres from the three Indochinese countries, held in the SRV capital of Hanoi 4-7 November, ended with brilliant success.

Attending the conference were the leading LPA political cadres' delegation led by Comrade Major General Siphon Phalikhan, member of the LPRP Central Committee, deputy minister for national defense, and director of the LPA General Political Department; the KPRAF leading political cadres' delegation led by Comrade Meas Krouch, deputy minister of national defense and chief of the KPRAF General Political Department; and the VPA leading political cadres' delegation led by Comrade Chu Huy Man, member of the CPV Central Committee Political Bureau and director of the VPA General Political Department.

The conference was elated to see that in the past year, under the leadership of the LPRP Central Committee, led by Comrade General Secretary Kaysone Phomvihane; the KPRP Central Committee, led by Comrade General Secretary Heng Samrin; and the CPV Central Committee, led by Comrade General Secretary Le Duan, the revolutions in the three countries have further developed to march forward to score great new victories in the struggle to defend and build each country. These victories have created favorable new postures for and increased the strength of the revolutions in the three countries. These victories have been scored thanks to the strategically militant solidarity and alliance among the Lao, PRK, and Vietnamese Armies and peoples. They are victories of the solidarity, friendship, and all-round cooperation between the three Indochinese countries on the one hand and the Soviet Union and the other socialist countries on the other.

The conference unanimously agreed with the attitude of the three parties on the situation in this region and the world. On the basis of this situation, it is necessary to increase the efficiency of party and political work aimed at educating cadres and combatants in the Armed Forces; to build a firm revolutionary stand; to understand clearly the true reactionary nature and cunning, notorious schemes of the enemies; to heighten vigilance constantly; and to remain firmly faithful onto the revolutionary cause and the special solidarity, friendship, and strategically militant alliance among the three fraternal countries as well as the solidarity and all-round cooperation with the Soviet Union and the other fraternal socialist countries, thereby superbly fulfilling national tasks and internationalist obligations. The report added that, during the conference, the delegation of our leading LPA political cadres also laid a wreath at the Ho Chi Minh Mausoleum. The LPA political delegation also attended and delivered a speech at the grand meeting organized by the VPA General Political Department to hail the success of the conference and to mark the 68th anniversary of the Great October Socialist Revolution.

ANNIVERSARY OF OCTOBER REVOLUTION CELEBRATED

Envoy's Reception

BK081032 Vientiane KPL in English 0926 GMT 8 Nov 85

[Text] Vientiane, November 8 (KPL) -- Soviet Ambassador Vladimir Sobchenko offered a reception here yesterday in honour of the 68th anniversary of the Great Russian October Socialist Revolution (November 7). Among those present at the reception were Phoumi Vongvichit, Political Bureau member of the LPRP CC, vice-chairman of the Council of Ministers; Sali Vongkhamkao, Secretariat member of the LPRP CC, vice-chairman of the Council of Ministers, chairman of the State Planning Committee, and chairman of the Lao-Soviet Committee for Economic, Scientific and Technical Cooperation; Saman Vi-Gnaket, Secretariat member of the LPRP CC, and head of its Organizational Board; and other senior party and state officials. Diplomatic envoys here were also present.

PASASON Editorial

BK071237 Vientiane KPL in English 0918 GMT 7 Nov 85

[Text] Vientiane, November 7 (OANA-KPL) -- The Great Russian October Socialist Revolution has exerted far-reaching impact on the movements for independence, freedom, democracy and prosperity on earth, editorially writes the daily PASASON today in commemoration of the 68th anniversary of the Great Russian October Socialist Revolution.

The paper says: Since the socialist revolution in October 1917, the Soviet Union has gained numerous significant achievements testifying to the strength of socialism. The historic victory won by the Soviet Union over Hitlerite Fascism and Japanese militarism 40 years ago has proven that the Soviet Union -- the world's first socialist country -- played a decisive role in protecting humanity from the disaster of World War II. The all-round achievements scored by the Soviet people under the leadership of the CPSU have given impetus to the development of the socialist community and to the world revolution and peace movements. The continual implementation by the Soviet Union of its Leninist foreign policy for world peace and security has won increasing support from the world people who regard the Soviet Union as the champion of world peace. The Soviet initiatives and measures for the reduction of nuclear armaments are conducive to the easing of the strained situation in the world at present."

Thanks to the Soviet assistance, the paper underlines, the three Indochinese countries have obtained glorious success for their revolution. The Soviet assistance and support to the Lao PDR, since 1975, have led to substantial achievements in the implementation of its revolutionary tasks.

With regard to the present complex situation in Asia and the Pacific caused by U.S. imperialism and Beijing hegemonism and expansionism, the strengthening and developing of the solidarity between the Indochinese countries and the Soviet Union is a decisive factor guaranteeing regional peace and security. We are convinced that the Great Russian October Socialist Revolution will forever shed light upon the way along which mankind is advancing in its struggle for independence, freedom, democracy and sovereignty, the paper concludes.

THE NATION REPORTS BORDER FIRE FROM CAMBODIA

BK120137 Bangkok THE NATION in English 12 Nov 85 p 5

[Text] Chanthaburi -- Thai marines Sunday pushed about 100 Vietnamese intruding soldiers back into Kampuchea after a six-hour operation in which two marines were slightly slightly wounded, Thai military sources said yesterday. A senior Thai official also reported that several Vietnamese artillery shells landed in Thailand yesterday, causing about 500 villagers to flee their homes.

The military sources said the Vietnamese forces, preceded by mortar and artillery barrage, at about 9 am Sunday launched an attack on remnants of Khmer Rouge guerrillas on the Kampuchean mountainous frontier opposite Ban Khlong Yai south of Pong Nam Ron District of this eastern province. They said a company of Vietnamese troops in hot pursuit of the Khmer Rouge guerrillas intruded about two kilometres into Thai territory in the area of Ban Khlong Yai village.

According to the sources, the Thai marines managed to push the intruding Vietnamese soldiers back into Kampuchea Sunday afternoon. The sources said two marines were slightly wounded during the six-hour operation, but the Vietnamese casualties were not known. The military sources said about eight artillery shells, fired by Vietnamese gunners in Kampuchea, landed on Thai soil during the height of the Sunday fighting between the Vietnamese forces and Khmer Rouge guerrillas but caused no damage.

According to the sources, fighting between the rival forces also broke out yesterday in the Kampuchean border area about two kilometres from the Thai frontier in Ban Khlong Yai village. They said the Vietnamese forces and the Khmer Rouge guerrillas exchanged artillery, mortar and recoilless rifle fire for about half an hour. No casualties were reported on either side.

Thawin Supapphet, Pong Nam Ron District chief, told reporters more than 20 Vietnamese artillery shells landed in Ban Khlong Yai village of Pong Nam Ron District yesterday, wounding one Thai villager. He said about 40-50 houses in the village were damaged and about 150 families were evacuated to Ban Siam Chak village and Ban Phakkat school deeper inside Thailand.

The Thai military sources characterized the fighting between Vietnamese forces and Khmer guerrillas as the beginning of the Vietnamese dry season offensive against the resistance forces. The sources said the Khmer Rouge guerrillas have dispersed in small groups and set up several mobile bases on the mountainous Kampuchean border with Thailand. Meanwhile, Khmer People's National Liberation Front (KPNLF) radio said yesterday Vietnam had moved about 20 Soviet-made T-54 tanks into the Kampuchean town of Pailin opposite this province to prepare to mop up Khmer resistance near the Thai border.

Villagers Flee

BK120810 Bangkok BANGKOK WORLD in English 12 Nov 85 p 3

[Text] Chanthaburi -- A total of 884 Thai villagers fled their border villages close to the border with Kampuchea in Pong Nam Ron District of this eastern province yesterday morning after several artillery shells fired by Vietnamese forces landed in their villages, Governor Somphong Phansuwan said this morning. Four villagers were slightly wounded in the incident which took place at 8.55 a.m., said the governor. Two military-trained rangers were also wounded and later admitted at Pong Nam Ron Hospital, said the governor.

The villagers, who fled deeper into Thai territory, were given assistance by provincial authorities and were anxious to return home. No more fighting took place this morning, Governor Somphong said. Spokesman of the Royal Thai Navy [RTN] this morning said the Vietnamese forces used 105 mm artillery to bombard the Kampuchean resistance position near Thai border causing several shells to land in Thailand yesterday. It was the third consecutive days that they tried to wipe out the resistance forces in the areas. We fired several 105 mm and 155 mm rounds in the direction of the Vietnamese forces to warn them of the transgression, but there has been no casualty report, the RTN spokesman said. Pong Nam Ron is opposite the Kampuchean town of Pailin, one of the larger settlements in western Kampuchea.

PRASONG COMMENTS ON REPATRIATION OF LAO REFUGEES

BK100209 Bangkok THE NATION in English 10 Nov 85 p 3

[Text] The long-delayed voluntary repatriation of about 400 Laotian refugees from Thailand into Laos may come about early next month and if it does, it will set a precedent for the repatriation of more Laotian refugees from Thailand, National Security Council [NSC] Secretary General Squadron Leader Prasong Sunsiri told THE NATION yesterday. Vientiane, he said, has reportedly agreed to the repatriation to mark its 10th anniversary.

He said that local Thai authorities had just reported to him that their Laotian counterparts had agreed to the launching of the first phase of the voluntary repatriation on December 2. "We have been seeking to launch the programme since last July," the NSC chief said. He added that if the reports were confirmed, the repatriation would augur well for the Thai policy of sending back more Laotian refugees, now accommodated at Ban Winai and Napho refugee centres, to Laos. A lot of Laotians have crossed the Thai-Laos border from Chiang Rai south into Thailand and as a result brought the number of Indochinese refugees in Thailand to about 127,111, according to the NSC secretary general.

The Interior Ministry last September opened three more border passes on the Thai-Lao border in addition to the two existing border passes to facilitate the planned voluntary repatriation. Squadron Leader Prasong said that so far, none of the Laotian refugees have been sent back through the border passes. The three newly-opened border passes are in Chiang Khong District of Chiang Rai Province, Muang District in Nakhon Phanom and the Chong Mek check-point in Phibun Mangsahan District of Ubon Ratchathani, according to a ministerial regulation published on September 20 in the ROYAL GAZETTE. The other two border passes are in Muang District of Mukdahan Province, through which only goods are allowed, and Tha Sadet check-point in Nong Khai. The latter is for both goods and people.

Informed sources earlier told THE NATION that the repatriation was delayed because Laotian authorities were not satisfied with the profiles of the prospective returnees and asked their Thai provincial counterparts to provide more details. The NSC chief said latest reports say that the Laotian authorities are now satisfied with the details, but he appeared sceptical of the reports.

PRASONG DENIES KISSINGER REMARK ON KRIANGSAK

BK130306 Bangkok BANGKOK POST in English 13 Nov 85 p 3

[Text] National Security Council Secretary-General Prasong Sunsiri yesterday denied a report that former U.S. secretary of state Henry Kissinger had told Prime Minister Prem Tinsulanon that ex-premier Kriangsak Chamanan should be "eliminated" because he is dangerous.

The report, in the October 15-November 15 edition of the monthly SIAM MAI magazine, quoted the EXECUTIVE INTELLIGENCE REVIEW as saying Dr. Kissinger's statement was made to Gen Prem over lunch at the Four Seasons Restaurant in New York on October 2. SIAM MAI re-printed a report purportedly from the REVIEW quoting Dr Kissinger as saying "Kriangsak is dangerous and should be eliminated". Squadron-Leader Prasong said he was present at the discussion and had not heard a single word from Dr Kissinger, directly or implying that Gen Kriangsak was dangerous and should be eliminated, as reported by SIAM MAI. Dr Kissinger is to visit Thailand this month.

ARMY TV CRITICIZES MP, CITES ATHIT ON POLITICS

BK121620 Bangkok Army Television Service in Thai 1300 GMT 12 Nov 85

[Army announcement]

[Text] In connection with the newspaper report that MP Thawiwat Ritruchai of Sakon Nakhon Province, Democrat Party, also secretary to the minister of science and technology, submitted a letter to the speaker of the House of Representatives expressing his doubt about the statement by General Athit Kamlang-ek, supreme commander and Army commander in chief, on 9 November at the reception held by members of the Lion's Club of the Northeast at Ruam Roengchai Club in Nakhon Ratchasima Province:

The letter quoted Gen Athit Kamlang-ek as saying that he does not think about running in parliamentary elections because he thinks that MP's have no standpoints and that they are blaming each other without doing anything constructive. Thawiwat said that such a statement damages the MP's and the legislative institution. It makes the people feel that parliamentary elections are unimportant. This is detrimental to the democratic system of government. It gives the impression that Gen Athit Kamlang-ek, supreme commander and Army commander in chief, does not uphold and support this system of government. This paves the way for a coup d'etat attempt to undermine the government functioning under the democratic system. Moreover, Mr Thawiwat noted that the statement, made when the Bangkok governor's election is being held, must have some ulterior motive. He called on MP's to pay attention to the matter and follow it.

Following is the statement by Supreme Commander in Chief Gen Athit Kamlang-ek while answering a question put to him by a guest at the party asking him whether he plans to run in the parliamentary elections: [Begin Athit recording] I have not thought about being an MP before. This line of thought is confirmed when I have a role at Parliament because I do not know what use it is to be an MP nowadays. What is the standpoint of an MP I do not know. I do not see them doing anything but arguing, quarrelling, and blaming each other. I do not think it is time for me to make the decision. I still have more time. Yet, if I have to make the decision, I am not thinking about becoming an MP. If elections are held based on today's values, I do not think I can contest them. I cannot afford it. I do not have the money to pay for campaign publications. Yet I would need more money to induce people to vote for me. Frankly, I do not think I can compete with them [end recording]

You have just heard the statement by Supreme Commander and Army Commander in Chief Gen Athit Kamlang-ek. Those who are broadminded and fair and who truly support democracy must realize that, although the above statement is only a personal view, it reflects the truth and reflects the thinking of the people, who are the masters of sovereign power -- their view of MP's with their lack of principles and standpoint in their arguments and deliberations.

Those who are in the government coalition parties even tried to topple each other by resorting to dirty methods during election campaigns. Such an approach is not constructive, but it let the people see how each of them is trying to defend personal and party interests. It made the people see that, by overspending money to obtain parliamentary posts, they are investing for some personal gain and not in the interests of the democracy to which we all aspire. The Army has made public the aspiration of Army Commander in Chief Gen Athit Kamlang-ek -- that the Army will stand side by side with the people and fight for an expansion of individual freedom and the achievement of the people's sovereign power, that it will fight against all injustices -- including political, economic, and social conditions favorable to communist expansion and a war situation destabilizing the national institutions, religion, and monarchy. It will work for the establishment of a genuine democracy with the king as head of state in answer to the Thai people's aspiration.

Respected people: The aspirations of the Army as mentioned stresses the question of sovereign power. The Army will work for an expansion of the people's sovereign power. The Army will not allow any other interests or powers to dominate and deflect the people's pure sovereign power to serve the interests of any group of political element. The Army's fundamental hope for the people is to preserve the sovereign power under the democratic system with the king as head of state. The Army fully realizes that a major obstacle to democracy consists of dark influences, dictatorship, and black power, things that constitute injustices in our society at all levels. These must be eliminated and replaced by the people's sovereign power under the democratic system, which stresses sovereign power of the people, by the people, and for the people. Therefore, the document of Mr Thawiwat Ritruchai, MP of Sakon Nakhon Province, Democrat Party, cannot be interpreted except as an attempt to undermine the Armed Forces and its leaders by narrow-minded people who refuse to see the truth. The Army would like to take this opportunity to explain the matter to the Thai people based on reason and truth. Good evening.

Army Spokesman Supports Athit

BK130914 Bangkok BANGKOK WORLD in English 13 Nov 85 p 32

[Text] The controversial view presented by the Army Radio and that expressed by Supreme Commander Gen Athit Kamlang-ek was aimed at supporting democracy, Army spokesman Maj-Gen Narudon Detpradiyut said this morning. "It cannot be deemed damaging to democracy, but was only a means to alert the public to the parliamentary system and also to urge them to cast their ballots tomorrow," Maj-Gen Narudon said. Maj-Gen Narudon, the Army Secretary, in an interview late this morning said, "we did not attack political parties as some people interpreted. We even promoted democracy and called on the people to exercise their right in tomorrow's poll."

The Army's broadcasts and Gen Athit's speech become controversial and MPs lashed out at the Army accusing that it opposed democratic process. Most vehement in their opposition were Democrats Suphrattra Masadit (Nakhon Si Thammarat), Education Minister Chuan Likphai (Trang), Thawiwat Ritruhai (Sakhon Nakhon) and MPs from the Prachakon Thai Party. Meanwhile, Democrat MP Thawiwat said this morning that he had no intention of destroying the Army but only wanted Supreme Commander and Army Chief Gen Athit Kamlang-ek to clarify his statement. The Sakon Nakhon MP said he had pursued a democratic means by sending a letter to House Speaker Uthai Phimchaichon and that it now depended on the House Speaker to act on the matter.

Maj-Gen Narudon said that the Army merely wanted to push the people to exercise their right through such broadcasts. He explained that the broadcasts told the public how certain politicians had cheated in past elections and, "we wanted the public to be ware that such bad practices in the past should not be repeated in this election." Last night, the Army-run TV channels 5 and 7 read out an official statement declaring that the view on members of Parliament as expressed by Gen Athit was a reflection of the attitude of the general public.

NAEO NA ASKS GOVERNMENT SUPPORT FOR USSR TRADE

BK081440 Bangkok NAEON in Thai 8 Nov 85 p 4

[Editorial: "Let Us Look at Various Possibilities"]

[Text] Thailand, a major exporter of agricultural products, also depends on earnings from exports of industrial items, including textiles, for national income. Unfortunately, textile exports have been hit by the global economic slump, high competition, price cutting, and trade barriers. Indonesia and China, which used to buy Thai rice, can now produce the grain and sell it. Thai tapioca exports face quota restriction from the European Community. Thai textile exports face restrictions from the United States. Thailand's tin exports are threatened by the impending collapse of the International Tin Council. Rubber exports are also threatened.

Those problems have arrived abruptly and almost simultaneously, compelling Thailand to struggle hard for survival. While trying to maintain traditional customers, Thailand is also looking for new markets. Yet, the prospects for the latter are not very bright as new markets are small countries with little purchasing power and low foreign currency reserves. Amid those difficulties, Thailand received an offer from the Soviet Union to buy a large quantity of Thai textiles and tapioca.

The Thai private sector welcomed the offer because it gives Thailand a new outlet for its surpluses. Nevertheless, the private sector wants the government first to give it certain assurances so that its trade relations with the Soviet Union will not be affected by the Thai Government's negative political attitude toward the Soviet Union.

We fully agree that the government should allow and support the private sector's trade with the Soviet Union. The government should separate trade from politics. The United States, with a political system opposite to that of the Soviet Union, has trade with the Soviet Union. If the government is afraid of "side effects" from trade relations, it can formulate guidelines and regulations for the private sector.

It will be a pity if the government overlooks certain benefits for the nation and continues to regard a certain country as its political adversary. On the contrary, the government should cooperate with the private sector to find more markets for Thai products, especially at such an economically difficult time.

PAPERS REPRIMANDED FOR PRINTING RESHUFFLE LIST

BK101248 Bangkok NAEON in Thai 8 Nov 85 p 2

[Text] Police Lieutenant Colonel Somchai Atthanawanit, inspector of the documents and printed material section of the police special branch headquarters, on the afternoon of 7 November summoned representatives of four newspapers -- BANGKOK POST, THE NATION, MATICHON, and NAEON -- to acknowledge and sign a warning from the police official regarding the publication of the senior military officer reshuffle list. Police officers informed them that after the issuance of a royal decree on appointments of senior military officers above major general level in September, the four newspapers had jointly published details of the reshuffle list, which is regarded as a military secret. So, police officials summoned the editors or representatives of these newspapers to be warned that further violations would be subjected to legal action as stipulated in Order 42 of the National Administration Reform Council.

SRV HONORS USSR REVOLUTION'S ANNIVERSARY

Leaders' Greetings

OWO61718 Hanoi VNA in English 1631 GMT 6 Nov 85

[Text] Hanoi VNA Nov. 6 - Vietnamese party and state leaders today extended warmest greetings to the Central Committee of the Communist Party, the Presidium of the Supreme Soviet and the Council of Ministers of the Soviet Union on the 68th anniversary of the Great October Revolution (Nov. 7). The message jointly signed by Le Duan, general secretary of the Communist Party of Vietnam Central Committee, Truong Chinh, president of the State Council; Pham Van Dong, chairman of the Council of Ministers and Nguyen Huu Tho, chairman of the National Assembly, says:

[Hanoi Domestic Service in Vietnamese at 1430 GMT on 6 November carries a report on the SRV leaders' greetings of the anniversary of the Great October Socialist Revolution. This version has been compared with and found to be identical to the referent VNA version which adds the following:

The radio version begins...on the occasion of the 68th Anniversary of the Great October Socialist Revolution, today 6 November, Comrades Le Duan, Truong Chinh, Pham Van Dong, and Nguyen Huu Tho have sent the following greeting message to the CPSU Central Committee, the Supreme Soviet Presidium and the Council of Ministers.]

"The success of the October Revolution, the greatest revolution in the history of mankind, led to the coming into being of the first worker-peasant state in the world, ushered in a new era for nations, the era of transition from capitalism to socialism and communism on the world scale.

"The past 68 years is the most glorious historic period of the Soviet Union and the heroic Soviet people, which has constituted an eloquent proof to the strength of the socialist system. Following the road blazed by great Lenin and under the leadership of the glorious Communist Party of the Soviet Union, the Soviet people have obtained one victory after another, building their country from an underdeveloped capitalist country into the most powerful socialist country in the world with modern industry and agriculture, with an advanced culture and science and a civilized and happy life, thus being worthy of a firm bulwark of peace and a reliable mainstay of the revolutionary forces in the struggle for national independence, democracy and social progress.

"Solemnly celebrating the 40th anniversary of the victory over fascism, the progressive people in the world once again affirmed the decisive role played by the Soviet Union in World War II, which saved mankind from fascists and created favourable conditions for the success of the socialist revolution in a series of countries in Europe and Asia. The Soviet Union now as before has always followed a principled foreign policy of peace demonstrating its high sense of responsibility toward the destiny of mankind.

"The Vietnamese people highly value and fully support the new important initiatives advanced by M.S. Gorbachev on the total ban of all offensive space weapons, the reduction of already deployed missiles, the halt to all nuclear tests and the prevention of the militarization of outer space. We warmly welcome the Soviet Union's proposals aimed at ensuring peace and security in Asia and making Asia-the Pacific into a region of peace, good neighbourliness and cooperation.

"The Vietnamese people have always turned their thoughts to the homeland of great Lenin with boundless gratitude.

Celebrating the 40th National Day of the Socialist Republic of Vietnam this year our people have further realized that the Vietnamese revolution has been closely associated with the Great October Revolution, and that each victory of the Vietnamese revolution is closely linked with the Soviet Union's great, all-sided and effective support for and assistance to the cause of building and defending Vietnam.

"We greatly rejoice at the new and extremely important development of the Vietnamese-Soviet friendship and allround cooperation, marked by the success of the official visit to the Soviet Union by the Vietnamese party and government delegation and the Vietnamese-Soviet statement signed by the two party general secretaries, Le Duan and M.S. Gorbachev, on that occasion.

"On behalf of the party, the government and people of Vietnam, we wish to express our most sincere and profound gratitude to the party, the government and the fraternal people of the Soviet Union for their valuable assistance full of proletarian internationalist sentiments for our people's national construction and defence.

"We wish the fraternal Soviet people, under the leadership of the glorious Communist Party of the Soviet Union, many more brilliant successes in the implementation of the resolutions of the 26th congress and in their activities to welcome the 27th Congress of the Communist Party of the Soviet Union.

"May the great friendship, militant solidarity and allround cooperation between our two parties and two peoples further consolidate and develop on the basis of the Vietnam-U.S.S.R. treaty of friendship and cooperation".

[The radio version omits the last two paragraphs]

Party, Amity Groups Gather

OWO61743 Hanoi VNA in English 1645 GMT 6 Nov 85

[Text] Hanoi VNA Nov. 6 -- A grand meeting was held at the Vietnam-U.S.S.R Friendship Workers' Cultural Palace here this evening to mark the 68th Anniversary of the Great October Revolution (Nov. 7) The meeting, jointly sponsored by the Central Committee of the Vietnam Fatherland Front, the Committee for Solidarity and Friendship With Other Peoples, the Vietnam-U.S.S.R Friendship Association and the Hanoi Party Committee, was attended by representatives of various public offices, mass organizations and Soviet experts working in Vietnam.

The visiting delegation of the Soviet-Vietnamese Friendship Society led by its Vice President V.P. Kozeluk, member of the Central Committee of the Communist Party of Ukraine, was also present at the meeting. The presidium of the meeting included Vo Chi Cong, member of the Political Bureau and secretary of the Communist Party of Vietnam Central Committee; Do Muoi, member of the Political Bureau of the CPV CC and vice chairman of the Council of Ministers; Hoang Tung, secretary of the CPV CC; Le Thanh Nghi, member of the CPV CC, vice president and secretary general of the State Council; Huynh Tan Phat, president of the presidium of the Fatherland Front Central Committee; Hoang Minh Giam, president of the committee for solidarity and friendship with other people; Nguyen Vinh, member of the CPV CC, president of the Vietnam-USSR Friendship Association; Nguyen Dinh Tu, member of the CPV CC, minister of vocational secondary and higher education and vice president of the Vietnam-USSR Friendship Association; Hoang Bich Son, deputy foreign minister; and others.

Soviet Ambassador to Vietnam B.N. Chaplin and V.P. Kozeruk were also present on the presidium. After the opening speech by Tran Tan, alternate member of the CPV CC, deputy secretary of the Hanoi Party Committee, Nguyen Dinh Tu delivered the main speech pointing to the epochal significance of the Great October Socialist Revolution, praising the brilliant achievements recorded by the Soviet people over the past 68 years as well as their sacrifices and contributions to saving mankind from fascist disaster, he said:

"Being a loyal friend of the Soviet people, the Vietnamese people consider as their own the Soviet People's brilliant successes in building socialism and communism. The Communist Party and people of Vietnam fully support the policy of peace and the principled external policy of the Soviet Union".

Praising the traditional friendship between the two peoples he said: "The Vietnamese communists and people are fully aware that each success of the Vietnamese revolution is closely linked with the Vietnamese-Soviet special relationship. The Vietnamese people express their sincere gratitude to the fraternal people and the Communist Party of the Soviet Union and note with joy that the friendship and cooperation between Vietnam and the Soviet Union have been constantly consolidated and developed.

On behalf of the Vietnamese people Nguyen Dinh Tu sincerely wish the Soviet people many new achievements in the implementation of the resolutions of the CPSU 26th Congress and in their emulation movement to greet its 27th congress. [sentence as received]

Addressing the meeting V.P. Kozeruk affirmed that the Soviet people are bringing into full play the ideologies and the results of the Great October Socialist Revolution. On the present international situation, he condemned the U.S. imperialists and NATO for stepping up the arms race and recalled the Soviet Union's peace initiatives aimed at safeguarding world peace and averting a nuclear catastrophe.

On the Soviet-Vietnamese friendship and cooperation, V.P. Kozeruk stressed:

"The Soviet people are grateful to the fraternal Vietnamese people for their positive support to the Soviet Union's Leninist policy of peace and important initiatives. More than anyone else, the Vietnamese people having shouldered the heavy burdens of protracted and great wars conducted by foreign aggressors against them are aware of the value of peace. They consider the struggle to foil all sinister schemes of the imperialists and other international reactionaries aimed at threatening world peace and the independence and sovereignty of nations as the primary task of all nations".

He put high value on Vietnam's contributions to the consolidation of the socialist community's unity and solidarity and on Vietnam's strong support to nations struggling for national independence, democracy and social progress.

He said: "The efforts of the Socialist Republic of Vietnam aimed at continuing to strengthen the fraternal friendship, militant solidarity and all-round cooperation between Vietnam, Laos and Kampuchea are of great significance to the struggle for peace and stability in Southeast Asia, the solid alliance of the three Indochinese countries which are untiringly striving to develop their relations of good neighbourliness and mutual benefits with countries in the region has become an important factor for the development of the situation in the region".

He voiced strong support for the peace initiatives put forth by Vietnam, Laos and Kampuchea at their foreign ministerial conference held in Phnom Penh on August 15.

"The Soviet people", he pointed out, "is proud that they have always stood by the side of the Vietnamese people in their struggle for freedom and independence as well as in their socialist construction.

"The friendship and cooperation between the our two parties and two peoples have become an important and inseparable part of the two countries' social life and a positive factor for promoting the Soviet-Vietnamese relations in all fields in the socialist and communist construction in Vietnam and the Soviet Union", V.P. Kozeluk said in conclusion.

Soviet Envoy Gives Reception

OW081101 Hanoi VNA in English 0753 GMT 8 Nov 85

[Text] Hanoi VNA Nov. 7 -- The Soviet Ambassador and Mrs. B.N. Chaplin gave a grand reception here this evening in celebration of the 68th Anniversary of the Great October Revolution. Their guests included Pham Van Dong, Political Bureau member of the C.P.V. Central Committee and chairman of the Council of Ministers; Nguyen Huu Tho, chairman of the National Assembly, and other party, state and army leaders, representatives of public offices, mass organizations, the diplomatic corps and international organizations in Hanoi. The visiting delegation of the Soviet-Vietnamese Friendship Society led by its vice president V.P. Kozeluk also attended.

Speaking on this occasion, Ambassador Chaplin brought out the achievements of the Soviet Union over the past 68 years and reaffirmed the positive foreign policy pursued by the Soviet party and state aimed at warding off the danger of a nuclear war, and safeguarding peace in the world. He reiterated the Soviet Union's support for the efforts made by the Vietnamese people and the other two Indochinese countries to turn Southeast Asia into a region of peace, stability and cooperation. He also reiterated the Soviet Union's unshakable support for the Vietnamese people's revolution.

In his reply, To Huu, Political Bureau member of the C.P.V. Central Committee and vice chairman of the Council of Ministers warmly hailed the glorious achievements recorded by the Soviet people over the past 68 years and praised the role of the Soviet Union as the firm mainstay of peace and socialism. He renewed the full support of the Vietnamese party, [words indistinct] policy of peace of the Soviet Union. He reaffirmed that solidarity with the Soviet Union is the cornerstone and a matter of principle of the Vietnamese party and state. He sincerely thanked the Communist Party, the Government and the fraternal people of the Soviet Union for their solidarity with and invaluable support for the Vietnamese people in their cause of national construction and defence.

Soviet Envoy's Speech

OW110300 Hanoi Domestic Service in Vietnamese 1100 GMT 7 Nov 85

[Speech by Boris Chaplin, USSR ambassador extraordinary and plenipotentiary to Vietnam, on the occasion of the 68th Anniversary of the Great October Socialist Revolution -- date and place not given; portions recorded]

[Text] [Begin Chaplin recording in Vietnamese] Dear Vietnamese comrades and friends, I am very happy today to express some of my views in warm welcome to you, comrades and friends, on the occasion of the Great October Socialist Revolution, and to convey to the heroic Vietnamese people fraternal greetings from the Soviet people. [end recording in Vietnamese]

[Begin Chaplin recording in Russian fading into Vietnamese translation] The Great October Socialist Revolution, accomplished by the Russian working class and peasants under the leadership of the Leninist party, has gone into mankind's annals as the most brilliant event. From that transition period began a new era in world history: socialism has been increasingly consolidated, and the socialist civilization has also been created. In the history of societal development, the first 9 months of the socialist regime is an unparalleled event, both in scale and scope.

In celebrating the 68th Anniversary of the Great October Socialist Revolution we are grateful to the many generations of Soviet people, who fought for the victory of socialism and extricated the fledgling Soviet land from the wicked schemes of the internal and foreign reactionaries during the difficult years of the civil war, and grateful to the Soviet combatants, who stood firm and won victories in the unforgettable battles in history against the reactionary and warlike forces of imperialism, that is the Hitlerite fascists.

Looking back on the road they have traversed in the past nearly 70 years and assessing the achievements they have scored, the Soviet people often remember the great sacrifices and the efforts of the Soviet land during the first days, which have made the Soviet land what it is today. Therefore, while formulating future plans, the Soviet people have come to understand the importance of the preservation of world peace.

The peace initiatives the Soviet Union and other socialist countries have proposed are aimed at eliminating the tensions created by the warlike imperialist clique, headed by the United States, in the world climate. They attempt to disrupt the world balance of power, step up the space-based arms race, achieve military supremacy over the Soviet Union, force sovereign countries to do their bidding, and interfere in the internal affairs of those countries.

Opposing their bellicose imperialist policy, the Soviet Union, Vietnam, and other socialist countries have consistently advocated improving the world political climate and resolving the pressing tasks of the times, that is eliminating the risk of nuclear war. The Soviet Union has persistently proposed that the United States and the other Western countries implement international plans. The most recent demonstration of the Soviet Union's desire to bring about a change in the world climate and to prevent nuclear war is the peace initiative advanced by Comrade Gorbachev, general secretary of the CPSU Central Committee, during his visit to France this year.

At present, in their advance toward the 27th CPSU Congress along the Great October Socialist Revolution path chartered by Lenin, the Soviet people, under the CPSU leadership, are working enthusiastically to fulfill this year's plan and the entire 11th 5-Year Plan. As a result of the enhancement of the positive attitude of the laboring masses, party organizations Soviets, and socioeconomic organs, the 1985 state socioeconomic development plan has been successfully carried out. Plans for economic development and improvement of the Soviet people's welfare have also been developed. The basic criteria in the national economy have been raised.

Recently, there was a domestic event important for our entire people: The October 1985 CPSU Central Committee plenary session set forth the draft for a new CPSU program, the changes to party organizations, and the basic plans for Soviet socioeconomic developments for 1985-90 and the period stretching to 2000. All three documents being discussed by the entire Soviet people provide a general outline of socioeconomic consolidation and national development that will meet the Soviet people's spiritual and material requirements under peaceful conditions.

In the next 15 years, the Soviet Union hopes to build an economic potential equal in scale to all that has been achieved during all the past years under the socialist administration. Industrial production and national economic income will nearly double. The basic principles in developing political policies in Soviet society are moving toward the people's total self-management and the development, and consolidation, of socialist dictatorship.

The Soviet people note with satisfaction that the fraternal relations between the CPSU and the CPV and between the USSR and the SRV, built on the principles of Marxism-Leninism and social internationalism, have been further strengthened by the signing of the friendship and cooperation treaty between the two countries 7 years ago. These relations will be increasingly consolidated and developed. The steadily developing Soviet-Vietnamese relations have become an inseparable part in the socioeconomic and political life between the two countries. The visit to the Soviet Union in June this year by a Vietnamese party-government delegation, led by Comrade General Secretary Le Duan, has become a new, important developmental step in consolidating the fraternal solidarity and in promoting the all-round cooperation between the two countries. The signing of the joint statement by the two countries during that visit has clearly proven the complete identity of views of the two parties and governments on issues of bilateral relations and international affairs.

The basic and enduring material relations between our two countries lie in our economic cooperation and trade in many fields. The scale of this cooperation has developed at a high rate. Its volume for the period 1981-85 is double that of the previous 5-year plan. Broad horizons are being opened for Soviet-Vietnamese economic cooperation during the coming 5-year plan. Under the guiding Leninist principles, the Soviet Union has paid attention to Vietnam's essential requirements in consolidating and developing its spearheading industrial and agricultural sectors; in consolidating its national defense; and in enhancing its people's welfare. It has decided to significantly raise its aid to Vietnam during the coming 5-year plan, to postpone the repayments of Vietnam's old debts, and to increase the volume of indispensable commodities sent to Vietnam from the Soviet Union, such as oil products, fertilizers, cotton yarn, rolling and laminated metal products, and so forth. On this commemorative day of the Great October Socialist Revolution the Soviet people sincerely wish their Vietnamese friends, under the leadership of the glorious CPV, led by the venerated and beloved Comrade Le Duan, general secretary of the CPV Central Committee, successful implementation of the late President Ho Chi Minh's testament -- building a socialist Vietnam, prosperous and powerful. [end recording]

[Begin Chaplin recording in Vietnamese] Long Live the Great October Revolution. Long Live the Glorious CPV. Long live the Glorious CPSU. May the Great Soviet-Vietnamese solidarity endure forever. I wish you, comrades and friends, good health many achievements, and family happiness. Thank you. [end recording]

USSR's Chebrikov Saluted

OW111644 Hanoi VNA in English 1515 GMT 11 Nov 85

[Text] Hanoi VNA Nov. 11 -- Vietnamese Ambassador to the Soviet Union Dinh Nho Liem today, acting on behalf of the Vietnamese State Council, conferred Ho Chi Minh Order on V.M. Chebrikov, Political Bureau member of the Communist Party of the Soviet Union Central Committee and chairman of the State Security Committee of the U.S.S.R. V.M. Chebrikov has made great contributions to strengthening and developing the friendship, militant solidarity and comprehensive cooperation between the peoples and security forces of Vietnam and the Soviet Union. Speaking at the presentation ceremony in Moscow, the Vietnamese ambassador put high value on the immense and effective assistance of the Communist Party, people and security forces of the Soviet Union to the Vietnamese security forces. V.M. Chebrikov expressed gratitude to the Vietnamese party, state and people for presenting him with the award, and pledged to do his best to further consolidate and develop the allround cooperation between the two peoples and two security forces.

NHAN DAN Editorial

BK070629 Hanoi Domestic Service in Vietnamese 2300 GMT 6 Nov 85

[7 November NHAN DAN editorial: "The Vigorous Vitality of the Ideals of the October Revolution"]

[Text] Today, together with the fraternal Soviet people and progressive mankind, our people joyfully celebrate the 68th anniversary of the Great October Socialist Revolution. This celebration takes place in a year in which there are many great anniversaries of the peoples of Vietnam and the Soviet Union and of the many nations on this planet: They are the 40th anniversary of the victory over Hitlerite fascism and Japanese militarism, the 55th anniversary of the founding of our party, the 40th anniversaries of the success of our August revolution and our National Day, the 10th anniversary of the total victory of the anti-U.S. resistance for national salvation, and the 35th anniversary of the establishment of diplomatic relations between our country and the Soviet Union. All these great anniversaries originated from the October Revolution -- the greatest event of the 20th century.

In the history of social evolution, there has been no event that can match the October Revolution in terms of its impact on mankind's destiny. The founding of the world's first worker-peasant state, the beginning of the period of transition from capitalism to socialism on an international scale, the heroic victories over Hitlerite fascism and Japanese militarism, and the strategic offensive momentum of the three revolutionary currents of our time with realistic socialism becoming a worldwide system are factors of decisive significance vis-a-vis the developmental trend of history. They are the fruits of a great, victorious revolution which took place in Lenin's homeland and which was under his direct leadership.

The hallmark of the October Revolution can be found in all revolutionary and progressive developments which are creating profound changes in the world. And today, after nearly seven decades, the thoughts, lessons, and experiences of this revolution are shining ever more brightly, constituting a source of encouragement for greater confidence, and bringing about an invincible strength for the working people on various continents in their struggle to achieve peace, national independence, democracy, and socialism.

During 68 years along the path of the October Revolution, the Soviet people, led by the glorious CPSU have attained many pinnacles shining with heroic legends and are surging forward to reach new pinnacles.

The struggle in the Soviet homeland is a never ending epic in creative labor and in heroic and selfless struggle for the communist ideal and for the working people's happiness. This is the struggle that has brought the socialist revolution to a successful conclusion, firmly defended the people's administration, defeated the intervention by the alliance of imperialists and reactionaries, quickly built the material-technical bases of socialism, made decisive contributions to the victories over Hitlerite fascism and Japanese militarism, created conditions for shaping the international socialist system, and achieved total and thorough success for socialism in the Soviet Union as a trusted prop of the world revolution and as the bastion of peace.

What has been especially encouraging for progressive mankind is the current efforts of the Soviet Union to resolve those new tasks now facing it with the adoption of bold decisions and determined actions to advance their undertaking to more glorious successes. The newly-announced draft revision of the CPSU's program of actions indicated that the coming 27th CPSU Congress will be an important event paving the way for a big leap forward in the development of Soviet society.

The discussions and the decisions taken by the CPSU Central Committee's plenums and the many discussions and consultations now being carried out vigorously among the Soviet people have bespoken the unanimous efforts of the entire party and people of the Soviet Union to step up national socioeconomic development in order to attain a new, higher quality standard for Soviet society.

As already pointed out in the CPSU's draft action program, the goal for the next 15 years is to create an economic potential roughly equivalent to all the assets already accumulated by the Soviet Administration. It is necessary to increase national income and the total volume of industrial production by nearly twofold, and to increase labor output by 2.3-2.5 folds. To achieve these objectives, many tasks have been mapped out to improve the qualities of all material-technical bases of socialism, transform the structure of the national economy, renovate working methods, and try all possible means to improve the masses' dynamism and creativity.

The fact that the Communist Party and people of the Soviet Union are resolved to accomplish their new tasks with profound scientific character, creativity, and high revolutionary enthusiasm has demonstrated more strikingly the vigorous vitality of the ideals of the October Revolution and has marked new contributions of the Soviet party and people to the causes of socialism, communism, and peace.

Grandly celebrating the 68th anniversary of the success of the Great October Revolution, our people warmly welcome the wonderful achievements of the fraternal Soviet people and their invaluable contributions to the communist ideal, to the causes of peace and security of nations, and to the happiness of all working people. We express our firm confidence in the outstanding prospects of the Soviet country which is going through a comprehensive turning point in its surge toward new pinnacles.

Our people profoundly realize that all the successes of our country's revolution cannot be separated from the October Revolution and that Soviet assistance is always an important factor in the success of our undertakings. Constantly nurturing our solidarity and friendship with the Soviet Union and strengthening our all-round cooperative relations with the Soviet Union are a principled question and also a matter of profound sentiments of our people.

A new development of great significance in Vietnamese-Soviet relations -- the fine results of the talks in Moscow last summer between the two comrade general secretaries, Le Duan and Gorbachev, is a new development of great significance in Vietnamese-Soviet relations and constituted a source of strong encouragement and created many favorable conditions for our people to implement their two strategic tasks -- building and defending the socialist fatherland.

From the depth of our hearts, we express our sincere gratitude to the Communist Party, Government, and people of the Soviet Union for the valuable and effective assistance and cooperation they have given to the Vietnamese Revolution. The cause initiated by the October Revolution is invincible.

QUAN DOI NHAN DAN Editorial

BK091330 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Nov 85

[7 November QUAN DOI NHAN DAN editorial: "The Soviet Union Is Great and Invincible"]

[Text] The success of the Great October Revolution 68 years ago has ushered in a new era in the history of mankind. Since this turning point, socialism has become a reality on our planet. It has developed in a country that covers one-sixth of the world's area; and has spread from Europe to Asia, Latin America, and Africa.

Over the past 6 decades and more, the Soviet people have scored remarkable achievements and have contributed greatly to the common cause of the world revolution. The great Soviet people built a new, beautiful social system, one without precedence in the history of mankind, which introduced a brilliant path for nations to follow into a new era -- an era of socialism which is developing and achieving success all over the world.

Over the past 68 years, the Soviet Union has made great progress, advancing from a poor and backward country to the strongest socialist superpower in the world. During 11 5-year plans, especially during the 11th one, the Soviet Union has made great and profound changes in its socioeconomic life. The socialist economy has developed firmly, thereby creating many new factors meeting the prerequisites of future progress. In agriculture, the food and grain program has scored remarkable initial results. Despite serious difficulties caused by weather conditions, the total agricultural output in 1984-85 was greater than that of the first 3 years of the 1981-85 5-Year Plan.

In industry, communications and transportation, and capital construction, the Soviet Union has also made great progress. Today, the Soviet Union can produce in 14 days, the same volume of industrial products as were produced in all of 1940. In 1984 the Soviet Union produced almost 1.5 trillion kw/hour of electricity; 154 million metric tons of steel; 130 million metric tons of cement; 613 million metric tons of oil and gasoline. It has exceeded the United States in producing basic industrial products; and has far exceeded Great Britain, the GDR, and France in producing industrial products.

The Soviet people enjoy a high-standard of material and spiritual life. Soviet civilization is shining brightly, manifesting the superiority of the most progressive social system in the history of mankind. The Soviet party and state have taken a series of important measures in the national socioeconomic strategy and have solved many complicated tasks aimed at comprehensively improving the economy, widely applying scientific and technological advances, promoting economic patterns, renovating the management and production systems, perfecting advanced socialism, and leading the great Soviet Union to gradually advance toward communism.

Implementing the CPSU's basic political programs aimed at rapidly improving the people's welfare, comprehensively developing people of all strata, and strengthening the national economic and defense potentials, the Soviet people are preparing the means to carry out the economic strategy in the next stage, turn the national economy into the best organized system with an effective and comprehensively developed workforce, double production output by late 2000, and lead the Soviet society to advance vigorously and firmly toward communism. The CPSU's new political platform and its basic orientations for socioeconomic development for the next 5 years and the period up to 2000 will be adopted at the CPSU 27th Congress to be held in February 1986. This political platform plays a very important role in ushering in a new, brilliant era that will make the Soviet Union more grandiose, strong, and invincible.

The world has entered the late eighties in a very tense and dangerous situation. The danger of a nuclear war caused by U.S. imperialism has directly threatened the vitality of mankind on the whole planet. Implementing the unswerving Leninist foreign policy of peace, the Soviet party and state have done and are doing their best to eliminate the frantic arms race and stop the danger of a nuclear war caused by U.S. imperialism.

The important Soviet initiatives recently have clearly manifested the sense of responsibility, brilliant goodwill, and the just cause of the Soviet party, state, and people in maintaining world peace. We could not have revolutionary change in the world if it were not for the Soviet Union. We could not talk about the success of the struggle for peace and life if it were not for the great strength of the Soviet Union and the socialist community. The Soviet nation, native land of Lenin and the Great October Revolution, will always be a source of confidence and a firm bastion for world peace and revolution.

Learning from the valuable experience of the October Revolution and following the path set forth by the CPV and esteemed President Ho Chi Minh, the Vietnamese people have carried out national liberation and socialist revolution, scoring repeated glorious victories in the August Revolution and the two wars of resistance against the French colonialists and the U.S. imperialist aggressors. We have also scored achievements in building and firmly defending our fatherland at present.

During more than half a century of revolutionary struggle with sacrifices and ordeals, the Vietnamese people were very proud to have reliable and close fraternal comrades -- the great Soviet people. The Vietnamese people are very grateful to the Soviet Party, state, and people for their wholehearted support and assistance to Vietnam in all its revolutionary stages. The 3 November 1978 SRV-USSR Treaty of Friendship and Cooperation marks a very important turning point. It is a firm foundation for Vietnamese-Soviet relations based on the principles of Marxism-Leninism and socialist internationalism.

The close Vietnamese-Soviet relationship and all-round cooperation have developed comprehensively on an unprecedentedly large scale. This is a factor determining the success of the socialist industrialization, the building of an independent and self-governing economy, and the strengthening of our nation's defense capability. The signing of the 28 June 1985 SRV-USSR joint statement and the summit meeting between Comrades General Secretaries Gorbachev and Le Duan are very important events affirming the consistent principled line of the two parties and manifesting the willpower and aspiration of our two peoples. It is also a further step strengthening the SRV-USSR fraternal friendship and comprehensive cooperation.

With the spirit of respect for and total trust in each other, the Vietnamese people are determined to do their best to implement the Vietnamese obligations stipulated in the treaty and other documents signed by the two countries, consistently expand cooperation in various fields, contribute to fulfilling socioeconomic tasks in each country, and lead the Vietnamese revolution to repeated successes.

Striving to consolidate the friendship and comprehensive cooperation with the great Soviet Union is an unswerving strategy of our party and state.

Commemorating the Great October Socialist Revolution -- the major anniversary of the Soviet, Vietnamese, and progressive peoples -- we express our profound gratitude to the Soviet party, Government, and people for their great and effective assistance to the cause of building and defending the Vietnamese socialist fatherland. We wish the great Soviet people many more outstanding achievements in perfecting advanced socialism and in implementing the new political platform to be set forth by the 27th CPSU Congress. May the unbreakable friendship, militant solidarity, and comprehensive cooperation between the two parties and countries of Vietnam and the Soviet Union be evergreen forever.

NHAN DAN TERMS UN CAMBODIA RESOLUTION 'BRAZEN'

OW071615 Hanoi VNA in English 1532 GMT 7 Nov 85

[Text] Hanoi VNA Nov 7 -- "We fully support the just stance of the People's Republic of Kampuchea resolutely rejecting the United Nations General Assembly's resolution on "the Kampuchean problem," says the NHAN DAN in a commentary today. The paper describes the resolution as brazen interference in the internal affairs of an independent and sovereign country.

"It is a disrepute to the United Nations to keep the seat for a corpse which may in no way represent the Kampuchean people. This is a challenge to the Kampuchean people and progressive opinion all over the world and only serves the dark schemes of the imperialists, expansionists and other reactionary forces to prevent the Kampuchean people from living in peace and dignity and block the trend towards the realization of a region of peace, stability, friendship and cooperation in Southeast Asia."

"The tendency towards dialogue is making progress in this region," NHAN DAN adds. "The recent meeting between foreign ministers of Vietnam and Indonesia who represent the two groups of countries has created favourable conditions for a better mutual understanding in the search for a solution to the question of peace and stability in Southeast Asia."

"At this juncture, the United Nations' passing erroneous resolutions on Kampuchea is an anachronimistic and harmful act," NHAN DAN states.

The paper affirms:

"Vietnam will continue to strive for a correct political solution to questions of Southeast Asia and Kampuchea in conformity with the legitimate interests of all sides. In this spirit, Vietnam welcomes all efforts of ASEAN countries towards dialogue, and all efforts to consider proposals made by both groups on the basis of equality free from imposition by any side and from interference from outside. Vietnam also welcomes the contributions of all countries inside and outside the region and of the UN general secretary personally aimed at promoting the trend towards dialogue along this direction."

INDONESIAN LAWYERS DELEGATION CONCLUDES VISIT

OW091758 Hanoi VNA in English 1533 GMT 9 Nov 85

[Text] Hanoi VNA Nov. 9 -- A two-member delegation of the Indonesian Lawyers' Association paid a friendly visit to Vietnam from November 1st to 7th as guest of the Vietnam Lawyers' Association. It included Hasan Wargakusumah, director of the Centre for Law Research of the Ministry of Justice, and Arman Bustaman, department head of the Ministry of Mining and Energy.

The guests had working session with the host association, the Supreme Court, the Ministry of Justice and the Hanoi Higher Law School. The delegation visited the home and office of President Ho Chi Minh, the Museum of History and the Giang Vo Exhibition Centre. It was received on separate occasions by Vice-President of the State Council Huynh Tan Phat and Minister Vo Dong Ziang. The guests also visited Ho Chi Minh City.

FRG, SOVIET GROUPS SEND AID TO STRICKEN AREAS

OW060733 Hanoi VNA in English 0703 GMT 6 Nov 85

[Text] Hanoi VNA November 6 -- Numerous humanitarian organizations in the Federal Republic of Germany (F.R.G.) donated 1.8 million marks as their relief to Vietnamese people in the storm-stricken areas. The donors are the Caritas and Diakenisches Werk organizations (900,000 mark of which 300,000 by the government); "Hilfsaktion Vietnam" (100,000 marks); the Red Cross organization of the Bavaria State (15,000 marks); the Solidarity organization of the Bremen State (15,000 marks); and Terre des Hommes (15,000 marks). The money will be used to buy food, medicine and other essential commodities. Meanwhile, cares and workers at Kisilovsk engineering plant, Kemerovo, the Soviet Union, have collected 3,000 roubles as their relief to the victims.

ECONOMIC DELEGATION DEPARTS FOR MOSCOW

OW121826 Hanoi VNA in English 1627 GMT 12 Nov 85

[Text] Hanoi VNA Nov 12 -- A governmental economic delegation of Vietnam led by Tran Quynh, member of the Communist Party of Vietnam Central Committee, vice chairman of the Council of Ministers and president of the Vietnamese section of the Vietnam-U.S.S.R. Inter-government Commission, left here today for the 11th session of the commission to be held in Moscow.

The delegation includes Nguyen Hoa, member of the party C.C. and head of the General Department of Oil and Gas; Phan Ngoc Tuong, alternate member of the party C.C. and minister of construction; Daungoc Xuan, vice chairman of the State Planning Commission; Hoang Trong Dai, vice minister of foreign trade; Le Quy An, vice-chairman of the State Commission for Science and technology, Tang Van Phuc, vice minister for power; and other senior officials.

NGUYEN HUU THO RECEIVES CAMBODIAN ASSEMBLY GROUP

OW121816 Hanoi VNA in English 1619 GMT 12 Nov 85

[Text] Hanoi VNA Nov 12 -- Chairman of the National Assembly Nguyen Huu Tho yesterday received a delegation of the National Assembly's Office of the People's Republic of Kampuchea headed by Phlek Piroun, secretary general of the National Assembly. Nguyen Viet Dzung, director of the office of the National Assembly and the Council of State of Vietnam, was on hand.

At the cordial meeting, Chairman Nguyen Tho warmly welcomed the fine success of the 5th Congress of the Kampuchean people's Revolutionary Party. He wished the fraternal Kampuchean people still greater successes in building socialism and defending their homeland, thus positively contributing to the defence of peace and security of the three countries on the Indochinese peninsula, and of the whole region. He expressed the wish that the special militant solidarity and friendship between the peoples of Vietnam and Kampuchea would be further consolidated and developed in the days to come.

MOKHTAR MEETS CZECHOSLOVAK COUNTERPART

BK080856 Jakarta International Service in English 0800 GMT 8 Nov 85

[Text] Foreign Minister Mokhtar Kusumaatmaja has stated that the idea of ASEAN to make Southeast Asia as a zone of peace and neutrality will become into reality if the Kampuchean issue can be peacefully settled. Minister Mokhtar stated this after his meeting with the visiting Czechoslovak foreign minister, Bohuslav Chnoupek. According to Minister Mokhtar, Indonesia and other ASEAN countries regarded the settlement of the Kampuchean issue primarily important since it is [words indistinct].

Meanwhile, the Czechoslovak foreign minister told the press afterwards that he praised Indonesia's position in the Nonaligned Movement as well as ZOPFAN [Zone of Peace, Freedom, and Neutrality] and the nuclear-free zones. On bilateral relations, Indonesia and Czechoslovakia shared the same opinion on the need of enhancing trade, which now stands at U.S. \$23 million per year. Czechoslovakia is considering to increase its imports from Indonesia. A joint commission of Indonesia-Czechoslovakia will hold its first meeting next (?year) [words indistinct].

Foreign Minister Mokhtar Kusumaatmaja and Czechoslovak Foreign Minister Chnoupek paid a call on President Suharto yesterday. At the meeting, Minister Chnoupek conveyed his government's invitation to the president to make an official visit to Czechoslovakia. In return, President Suharto also conveyed a same invitation to the Czechoslovak president to visit Indonesia.

Minister Chnoupek is leaving Indonesia today to continue his tour to Australia, New Zealand, and Singapore.

MOKHTAR HAILS SIHANOUK'S 'COCKTAIL PARTY' IDEA

BK081250 Jakarta Domestic Service in Indonesian 1200 GMT 8 Nov 85

[Text] Foreign Minister Mokhtar Kusumaatmaja has welcomed CGDK leader Prince Sihanouk's idea to hold a cocktail party [preceding two words in English] for all Cambodian factions and has expressed Indonesia's readiness to host such a party. In his weekly press conference in Jakarta today, Mokhtar said that the cocktail party idea, which was put forward by the prince in New York, is designed to reach a national reconciliation among all the Cambodian factions. According to Mokhtar Kusumaatmaja, Sihanouk said that such a meeting will probably be held in Paris or some other place.

MOKHTAR SAYS NO TERRITORIAL AMBITION IN PNG

BK110935 Jakarta International Service in English 0800 GMT 11 Nov 85

[Text] Indonesia does not have any territorial ambition in PNG, Minister Mokhtar Kusumaatmaja said. Addressing the second Indonesian-PNG conference in Yogyakarta on Saturday [9 November] evening, Foreign Minister Mokhtar Kusumaatmaja said the concern over territorial expansion was one of the (?key) issues that seemed to bother Indonesia's eastern neighbor. He said [words indistinct] Indonesia's territorial ambition was a sheer nonsense. Indonesia has vast areas that still need to be developed. The Indonesian Government is at present concentrating on (?internal) development and stability.

Foreign Minister Mokhtar, who returned to Jakarta yesterday, considers Indonesia's relations with the PNG as very important because, the minister said, the PNG is the gateway to South Pacific areas and Indonesia is the gateway to Southeast Asia.

The conference, which discussed a broad range of political, economic, and agricultural matters between the two neighbors, ended yesterday.

TALKS ON BORDER CROSSING HELD WITH PHILIPPINES

BK081858 Jakarta International Service in English 0800 GMT 8 Nov 85

[Text] Indonesia and the Philippines convened their annual meeting on border crossing agreement in Manado, North Sulawesi, yesterday. Subjects of discussions include border patrol, border crossing, communications, and intelligence. Indonesia and the Philippines have agreed to end the border crossing problem stage by stage. The border crossing agreement meeting will last for 3 days.

OIL COMPANIES FIRE WORKERS WITH COMMUNIST LINKS

BK110327 Jakarta SINAR HARAPAN in Indonesian 5 Nov 85 pp 1, 12

[Excerpt] Jakarta, 5 November -- Effective 1 November 1985, all vital companies in Indonesia simultaneously dismissed any employees who were involved in the abortive G-30-S/PKI [30 September 1965 Movement/Indonesian Communist Party] coup attempt. The public relations division of the Pertamina state oil company disclosed this to SINAR HARAPAN on Tuesday.

S. Zuhdi Pane, chief of Pertamina's public relations division, however, was unable to give the exact number of Pertamina employees dismissed. He stressed that the dismissal is in conformity with an instruction issued by the Security and Order Restoration Command. He said: "The dismissal amounts to implementation of a government directive and preparations to implement it have long been made".

He said that among oil companies Caltex Pacific company has the highest number of employees dismissed. The dismissed employees are former members of the Oil Workers Association [Perbum], a trade union known to be affiliated with the PKI, outlawed in 1966 after its abortive coup attempt in 1965.

The Pertamina company official added that thanks to thorough preparations by the company, the dismissal will not affect the state oil company at all.

Meanwhile, as many as 637 Caltex employees, alleged to have been involved in G-30-S/PKI and belonging to the C2 category of detainees, have already been dismissed from all Caltex areas of operations in Riau Province. The dismissed employees are former members of Perbum and most of them have a minimum length of service of 18 years.

A SINAR HARAPAN source in Pekanbaru disclosed that the 637 dismissed employees were attached to almost all divisions in the Caltex company, but most were from the transportation and warehousing divisions. The source added that they had been given severance pay in accordance with existing regulations. Before their dismissal, they were working at various Caltex company branches in the Rumbai, Minas, Duri, and Dumai Districts of Riau Province.

So far no social unrest due to the dismissal has occurred because state authorities have already tightened security at various Caltex branches in the province.

According to a SINAR HARAPAN source, each of the dismissed employees with a minimum length of service of 18 years has received severance pay of more than 14 million rupiah, but some of them may end up receiving nothing because they have to pay for the housing installment scheme. "This situation usually afflicts those who have only recently occupied the housing estate", the source said. To overcome this problem, a solution is now being sought by giving the dismissed workers a chance to hold consultations with Caltex.

MARCOS: FOREIGN COMMISSION NOT TO OVERSEE ELECTION

HK130913 Quezon City Maharlika Broadcasting System in English 0800 GMT 13 Nov 85

[Text] President Marcos has announced that foreign groups have been invited and are welcome to observe the presidential elections. However he said they will not be tolerated to interfere in the country's internal affairs. Added details from Bert Asuge:

[Begin recording] The president made this clear in an interview with NBC's Tom Brokaw in Washington when asked yesterday whether a foreign commission is welcome to oversee the election. President Marcos responded that he has invited everyone but he emphasized that the Philippine Government is not going to invite any specific commissions to come to oversee the presidential election specifically because it cannot be trusted. We are not going to accept that, the president said. He reminded the interviewer that the Philippines is a sovereign country and it doesn't invite strangers into its internal affairs. Asked about the effective date of his resignation, the president said it becomes effective on the day he either wins, qualifies, and takes his oath of office [as heard]. No president will run for reelection in any democratic country [words indistinct] resigns before his successor or himself qualifies, President Marcos (?explained it).

Commenting on the [word indistinct] coming from the opposition camp, the president expressed (?belief) that the opposition is putting up all kinds of excuses for an impending debacle [words indistinct] demands. He said that he had left it to the Batasang Pambansa to decide the issues of the date of the election and of the vice presidency. These were matters for the legislature of the Batasang Pambansa to decide, the president added. [end recording]

PAPER ON POSSIBLE MARCOS-U.S. CONFLICT OVER POLL

HK120734 Manila BUSINESS DAY in English 11 Nov 85 p 5

[By Marites Danguilan-Vitug]

[Text] President Marcos appears to be heading into conflict with the American government on the terms to govern the proposed presidential polls on January 17, 1986. A major issue is the constitutionality of such an election. Marcos's announcement of his resignation effective the day a winner is proclaimed, while seen as a "masterstroke" in some political circles -- to give a semblance of willingness to vacate his post -- does not provide a ground for calling special elections.

Liberal Party president Jovito Salonga told MALAYA Friday an announcement of a mere intention to resign does not create a vacancy in the presidency. Under the Constitution, presidential elections can be called if the President resigns, dies, is incapacitated, or is removed from office through impeachment. "Marcos violates his own Constitution," J.V. Bautista, Bayan (Bagong Alyansang Makabayan) [New Nationalist Alliance] official said.

Defense Minister Juan Ponce Enrile, however, argued "We are making a political formula that in our opinion is consistent with the Constitution." He explained that the vacancy will occur "at a definite time and the successor will take over from then on because there must never be an inter-regnum... in the leadership of the nation." "What is important is that at the time of the installation of whoever is the winner in an election for President, there is a vacancy to which that person can fit and must be installed," Enrile pointed out. The defense minister also told reporters Friday, "There's no question that there will be an election. As of this moment, we are sure that there will be an election for President and Vice-President."

Washington, with its strong legalistic tendencies, is likely to find Marcos' terms unsatisfactory. Ambassador Stephen Bosworth reminded the Philippine Bar Association last month (Oct 31), "When we Americans look at the outside world, it is inevitable that we do so through the prism of our own ideas about good government, political legitimacy ..."

Philip Kaplan, U.S. embassy deputy chief of mission said last week the question of the election's constitutionality, as raised by the opposition, needs "satisfactory answers."

Kilusang Bagong Lipunan MP Arturo Tolentino earlier raised the possibility that the validity of the results of an election held on unconstitutional grounds will be questioned.

While Marcos is seen to have submitted to U.S. pressure for early polls, he did not do so at his expense. Opposition MP Homobono Adaza observed, "Marcos has a deep-seated attachment to a personal principle: he doesn't like to be defeated. His moral rules are defined by victory. This the U.S. has not fully comprehended." Thus Marcos has set his terms: limited time for the opposition to prepare for a nationwide campaign and to organize, unwillingness to amend the Constitution, refusal to resign.

A contradiction in U.S. foreign policy towards the Philippines is surfacing: Washington pushes for clean elections, its perceived center-piece of democracy, but one that runs counter to President Marcos' interest. Observers say honest elections may lead to Marcos' political end.

Petronio B. Daroy, in a political analysis written for the NEW PROGRESSIVE REVIEW, said, "the most reliable ally of the U.S. -- Marcos himself, whom U.S. support catapulted to the status of dictator -- had, after all, the capacity not necessarily for independent action, but to threaten U.S. interest."

Washington has apparently put some effort into convincing Marcos to step down. NEWSWEEK reported (Nov 4) that Richard Holbrooke, former assistant secretary of state for East Asian affairs under Jimmy Carter, envisioned a scenario wherein Marcos "would be permitted to serve out his term, preserve his wealth and be immune from future prosecution, probably in exile in the United States." In exchange, NEWSWEEK continued, Marcos would have to agree to electoral reforms, among others.

Holbrooke was in town last week and, in a breakfast meeting with five oppositionists and some U.S. Embassy officials, pursued the same scenario. He asked the oppositionists what they would do with Marcos if they win in the elections. Most of those present said they would decide their course of action "once we cross the bridge." One of them said he would let the courts decide the fate of Marcos. But he was also inclined to "let Marcos go" and live as an exile probably in the U.S.

An opposition leader told BUSINESS DAY that, based on the talk with Holbrooke, he got the impression Washington may have offered Marcos "safe passage" to the U.S. as long as he gives in to desired military, economic and political reforms.

In another move, a source in the opposition said some U.S. Embassy operatives talked to leaders of the Armed Forces reform movement "to pull the rug off [as published] Marcos' feet." The reformists, he said, were "less courageous" and did not accept the suggestion. Members of the reform movement's steering committee denied they were approached by any U.S. embassy officials for such a purpose. The BUSINESS DAY source said the U.S. embassy operatives tried to talk to "other colonels" about it.

The U.S. has a record of directly intervening in affairs of Third World Countries. In 1963, for example, Washington helped organize a military coup against South Vietnam's President Ngo Dinh Diem.

That Marcos would yield to U.S. pressure is unlikely without the U.S. holding a strong bargaining leverage. Some observers think Marcos may have been given the message "reform or else..." by the U.S. as columnist Francisco S. Tatad said, Sen. Paul Laxalt's recent visit was an "ultimatum" to Marcos. Others point out the message may not have been different from what other U.S. officials have brought to Marcos but the messenger, this time, made the message matter.

Before the Laxalt visit, THE BOSTON GLOBE, in its editorial, wrote the U.S. is "hostage" to Marcos's interests. U.S. military and economic aid continue to prop up Marcos's regime. When Laxalt left U.S. for Manila, a State Department spokesman repeated the U.S. position that it would not move its military bases out of the country as if to assure Marcos they will not abandon an ally. Marcos knows his major source of support is the U.S. At a time when he is politically and physically on the decline, he knows he needs American support more than ever.

On another level, the KBL and opposition in the Batasang Pambansa are in conflict, to agree on the terms of the election and its legality. The opposition has set some conditions for participation such as the accreditation of Namfrel (National Citizens Movement for Free Elections), reorganization of the Commission on Elections, repeal of the President's power of preventive detention among others. Earlier, opposition leaders Salonga, Lorenzo Tanada, Agapito Aquino Teofisto Guingona demanded the resignation of Marcos as a condition for holding snap polls.

The trend that appears to be shaping up is, the opposition will put up a fight even if it is unable to bend Marcos's rules. Some in the opposition warn, however, that they will be pushed closer to the option of civil disobedience and armed struggle should the elections they participate in be fraudulent.

Richard E. Feilberg, an author of a book slightly critical of U.S. foreign policy entitled, the Intemperate Zone, (1983) wrote that a foreign policy that rules violent change unacceptable will oppose the basic historical experiences of a growing list of countries. He urged the U.S. to be "willing to sever ties with old but tottering friends...We should not automatically panic if more radical groups ascend to power... The new leader will need a grace period to purge past frustrations and learn the new realities of governing."

MARCOS: AVERAGE FILIPINO WANTS U.S. BASES TO STAY

HK121519 Manila BUSINESS DAY in English 12 Nov 85 p 23

[Text] President Marcos yesterday said results of the latest survey made by an independent group showed that "the average Filipino wants the American bases to remain in the country." Marcos made this statement when he and the First Lady hosted for Rev. Jerry Falwell in Malacanang. The President added that the survey also showed that the average Filipino "considers America the leader of the free world." The United States maintains two of the biggest military bases in the world in the Philippines namely the Clark air base and the Subic naval base. The facilities are governed by a military agreement between the two countries that will expire in 1991.

Of late, there were agitations by some members of the Batasang Pambansa for the renegotiation and in some instances for abrogations of the bases agreement.

During the breakfast, a Malacanang press release said, Marcos reiterated that the government will reduce sugar production this 1985-1986 crop year to 1.5 million metric tons until an ethanol factory is established. Earlier, the Philippines Sugar Commission (Philsucom) announced that production this year of sugar will be limited to only 1.3 million metric tons to a maximum of 1.4 million metric tons. The government had estimated that an ethanol factory will cost \$1.5-billion and is considering the World Bank to finance it.

EDITORIAL VIEWS CULTURAL EFFECTS OF U.S. ON NATION

HK110718 Manila BULLETIN TODAY in English 10 Nov 85 p 6

[Editorial: "Culture and the Bases"]

[Text] Whether the U.S. will continue to use the bases depends, of course on what the Filipino nation will say. Should the nation decide that the U.S. can no longer use the bases, it is very likely the U.S. would go. It is not valid at this time to draw a parallel between this case and Guantanamo.

As of this time, the people prefer the status quo. The vast majority of them think that the advantages of allowing American use of the bases outweigh the disadvantages, even though for many decades many astute Filipino thinkers have been trying to convince the nation of the dangers posed to the country by the American use of the bases and of the impairment of sovereignty. It would take some sharp perception of danger or of injustice for the Filipinos to ask the Americans to move out.

One powerful reason that impels the Filipinos to maintain the status quo is their cultural orientation. Culturally, they are inclined toward the U.S. Unlike most Asians, except probably the Japanese, they continue to look to the U.S. for the satisfaction of their cultural, intellectual, and material needs.

The latest songs, dances, movies, and fashions are imported from the U.S. When Filipinos plan to seek higher learning abroad, their target is the U.S. The principal medium of instruction is English (and if we are to distinguish between English and American, it is definitely American). The strong communication lines between the Philippines and the U.S. explain the continuing cultural orientation and suggest that while Japan has lately been making inroads into the Filipino culture, it cannot truly replace the U.S.

All this affects Filipino perceptions on the use of the bases.

TATAD ACCUSES MARCOS TRAMPLING ON CONSTITUTION

HK111559 Manila BUSINESS DAY in English 11 Nov 85 pp 4-5

["Here and Now" column by Francisco S. Tatad: "Trampling Out the Constitution"]

[Text] President Marcos and the ruling KBL have obviously chosen to trample out the Constitution. They have decided to file Cabinet Bill No. 7 calling a special presidential election on Jan 17, 1986 without Mr Marcos vacating the presidency, or without the Constitution having been first amended to allow him to remain in office after resigning.

Not a single soul in that otherwise intelligent pack of KBL partisans last week found the courage to remind Marcos what even the poor layman knows as an inviolate principle -- that a Cabinet bill or a presidential decree cannot possibly modify a constitutional provision. Marcos, who rules alone without a vice-president, has a term that expires in 1987. If he survives his term and decides to run again, he may do so without vacating his office until his successor takes over. But between now and 1987, if he dies, is permanently incapacitated, removed from office, or resigns, Speaker Nicanor Yniguez of the Batasan becomes acting President, and the Batasan enacts a special election law within 10 days from the date of the vacancy, calling for the election of a President and a Vice-President not earlier than 45 days nor later than 60 days from the time of such call. This provision was added to the Constitution in 1984 with Marcos' full cooperation, at the initial stage of the confidence crisis, to stabilize the succession question. It has not had the opportunity to be put to the test; its wisdom has not been impugned. Assuming Marcos has lost all predisposition to follow it, he can, because he has the power, seek its repeal or modification. But he can only do so through an amendment to the Constitution.

The process is cumbersome, time-consuming, and repugnant to some, but there is no short-cut outside it, except a naked trampling of the Constitution. The Constitution has been trampled on so many times in so many ways, and one more trampling should probably not matter too much. But this is the first time it is openly sought to be trampled by insisting that an ordinary act of the Batasan be allowed to modify or paralyze a constitutional provision. What is under attack is not simply the text of an individual provision, but the fundamental superiority of the Constitution to ordinary legislation. If this is allowed to prosper, it will mean the trampling out of the Constitution, the death of constitutionalism.

Marcos' theory is that he has a right to remain in office even after his resignation because it is "a voluntary giving up" of a part of his term, something not contemplated (he says) by the Constitution. This is absolute nonsense. The word "voluntary" does not quite apply. But voluntary or not, it does not change the meaning of the constitutional provision. The claim that a purely voluntary resignation, assuming one is possible, is to be treated differently from one brought on by pressure is a pure invention, pure wishful thinking. It has no basis in the Constitution.

Were Marcos to be allowed to stay on after resigning his office while he runs for a new six-year term, we would be creating a dangerous precedent which could be utilized by everyone else who succeeds him. What would later prevent a President elected for six years from calling midterm elections for a new six-year term at the height of his popularity, or whenever the opposition is at its weakest? A clever president could routinely make it possible not to "give up" part of his term, but to lengthen his cumulative term. This is exactly what Marcos is trying to do through Cabinet Bill No 7. Having control of the electoral process, he now wants to use it in order to stay in the presidency, health permitting, until 1992, not just until 1987.

My proposal is that if Marcos wants to hold a special election in which he will run while remaining in office after resigning, he should first have the Constitution amended to repeal the 1984 amendment. This means elections will have to be held sometime in May or June rather than in January, simultaneously with the local elections.

Now if Marcos is bent on having a test of his popularity in January, he should hold a referendum, not an election. Provided the opposition is allowed to name inspectors who will participate in the process, there is a reasonable chance of the referendum count being an honest one.

If Marcos however wants a test of legitimacy, not just popularity, and wants to hold a special election in January in order to "renew" his mandate, let him run in an election for a term ending in 1987, rather than a full six years. Such a process, although not contemplated in the Constitution, may not be entirely objectionable.

It is to be hoped that the Batasan opposition will be as discerning as usual and not allow itself to become an accomplice to the contemplated KBL rape on the Constitution. It cannot and must not lend its dignity to Cabinet Bill No. 7, but oppose it by every means possible. The Batasan MPs should not allow themselves to be misled by the erroneous proposition that a snap election under whatever terms is better than nothing; that unless we agree to it, a military coup d'etat or something worse could intervene. My own view is that an election held now outside the Constitution would accelerate, not slow down, violence.

Despite all doubts expressed by the opposition about the legitimacy of the "Marcos Constitution," they have the duty to insist that Marcos himself follows his own Constitution. To say now that it does not really matter is to free Marcos from following even his own rules. It is also to give up the opposition's moral advantage -- for nothing. Instead of submitting to the temptation of the Cabinet Bill No. 7, the opposition, including its presidential aspirants, should now make it clear to Marcos and the KBL that they will not be a party to a process that makes a mockery of the Constitution.

OPPOSITION MP'S CRITICIZE ELECTION BILL NO 7

HK121534 Manila BUSINESS DAY in English 12 Nov 85 p 24

[Text] The possibility of postponing the snap elections from the announced Jan. 17 loomed last night as several opposition MP's declared that Cabinet Bill No. 7 (Omnibus Election Code of the Philippines) is "full of legal infirmities." The bill was filed by the KBL with the Batasan yesterday for floor discussion.

MPs Hernando Perez (UNIDO [United Nationalist Democratic Organization] -- Batangas) and Homobono Adaza (Opposition-Misamis Oriental) said the bill contains many unconstitutional provisions. They also claimed that the filing of the bill showed that President Marcos's aim is to stay in power during the period of campaign.

Adaza said that "the best time to hold the special elections would be in March 1986 to give time to the parties to thresh out the constitutional statutory problems attendant to the holding of a special election. Moreover, that period before the election would allow our people to familiarize themselves with the issues of the campaign." Perez said the best hope that KBL could have is for the bill to be approved on the first week of December, at the earliest. Perez said the opposition will make a team-by-team opposition to the bill during the floor deliberations to point out the provisions that are illegal and unconstitutional.

If this happens, the filing of the candidacies for the president and vice-president on Dec. 2 as contained in the bill could not be met. The bill sets Dec. 2 as the start of the campaign period which will end on Jan. 15, 1986. Perez said the snap election provisions as contained in the bill have brought about many constitutionality questions.

Another thing that was brought to fore was the short period of the campaign, which could not allow agencies to properly prepare for the actual election mechanics.

Adaza also proposed that the presidential and vice-presidential elections be synchronized with the local elections scheduled next year. He said it is to the national interest that "we synchronize the local elections with the presidential election to save money for equally urgent needs of our country."

"Holding a special election without satisfying the legal questions will not achieve the purpose for which such an election will be held," Adaza said. Earlier, President Marcos strongly recommended that the Batasan exercise its plenary legislative powers to pass a special law establishing the mechanism to hold the presidential election distinct and apart from local elections where "parochial and personal issues are involved" on Jan. 17. He also recommended the enactment of Cabinet Bill No. 7.

In a letter sent to Batasan Speaker Nicanor Yniguez, Marcos said the snap election is necessary for the resolution of fundamental and national issues, including the validity of his present efforts in government, particularly his administration's approach to national economic recovery and the insurgency problem. He said the mandate conferred upon him in the last presidential polls in 1981 has been the object of propaganda and dissent which has cast "a shadow over the continuing validity of the policies and programs." He said he instituted these policies and programs by the authority of that mandate.

According to President Marcos, he has been left with no choice but to seek a new mandate in an election that will assess, "as demanded by the opposition," the policies and programs he has undertaken. The special election shortens the President's tenure which is supposed to end in June 1987.

To pave the way for the holding of special presidential elections, Marcos said he shall resign from office effective only when the election is held and after a winner is proclaimed and qualified as president by taking his oath of office 10 days after proclamation. He said it is the practice and tradition in all presidential polls in democratic countries that the President continues in office until the president-elect shall have been qualified and has assumed office. Such practice, he asserted, should continue since any modification will cause an undesirable and dangerous hiatus. He made no mention of the vice-presidential election on Jan. 17.

Sources in the ruling party say that there seems to have been a switch in opinion among KBL members in the Batasan on the elections of both president and vice-president. According to Labor Minister Blas F. Ople (KBL, Bulacan), the vice-presidential election might be synchronized with local polls in May next year. Opposition Adaza, however, accused Malacanang of backtracking on the projected vice-presidential election to be held with the special presidential election.

Adaza said the palace has been conducting a campaign of disinformation by reporting to media that opposition assemblymen do not want the holding of such two elections together. "This is brazen misrepresentation since the official position of the opposition is that there must be such elections to be held simultaneously," he said. Adaza added that such special election early next year must be held because without such polls, "it is almost certain that the remaining options would be either the President's redeclaration of martial, a coup d'etat or civil war."

The special election should be held on March next year to give time for threshing out the constitutional and statutory problems attendant to the holding of such elections and for the people to familiarize themselves with the campaign issues, he said. According to Adaza, there is only one way to hold special elections if the President wants to stay in office during the period of the campaign and that is to amend the Constitution.

Adaza stressed that it is to the interest of the nation that presidential and vice-presidential elections be synchronized along with the local polls to save money. Furthermore, the ground rules for such political exercise must be the provision of the Omnibus Election Code now pending at the Batasan. Holding special elections without satisfying this requirement will not in any manner achieve the purpose for which such elections will be held, Adaza said. Cabinet Bill No 7 has been referred on first reading to the Batasan committee on revision of laws, codes and constitutional amendment.

OPPOSITION MAY SELECT CANDIDATE BY CONSENSUS

HK131536 Manila BUSINESS DAY in English 12 Nov 85 p 24

[Excerpt] The opposition candidate for the presidential election may not have to be selected through a national convention but instead through "person-to-person negotiations" among aspirants, according to former senator Jovito R. Salonga. Salonga said the opposition may be forced to take a short cut in the selection process as there is not much time left. But he ruled out the possibility that the snap election will be held on Jan. 17 as earlier announced by President Marcos. He added that the election will be held, at the earliest, in March or April. The President is, in fact, under tremendous pressure to conduct a synchronized presidential and local elections, Salonga pointed out.

Based on what he called the Marcos constitution, a snap election may be called only under four circumstances -- in case of death, permanent disability, impeachment or resignation of the president, Salonga pointed out. Unless he resigns, the January 17 snap election will be against Marcos's own constitution, Salonga added. Therefore, in order to legalize the forthcoming elections, a constitutional amendment will have to be adopted, which in turn, will have to be presented to the people through a plebiscite, he added. The President had passed the issue to the Batasang Pambansa.

"It will have to go through a complicated process and I cannot see how he (President Marcos) can have it (the snap elections) in January," Salonga pointed out. Besides, holding two or three "expensive electoral extravaganzas" will only be a "financial nightmare" to a nation whose economy is already in shambles, he added. A separate presidential and local election in a span of, at most, four months, will only cause the money supply to bloat and inflation to soar, Salonga noted. Salonga added that the opposition has a good chance in the forthcoming snap elections only if "we subordinate our personal ambitions"; it will be very minimal if "we only think of ourselves."

On the campaign to draft Corazon Aquino, the widow of slain exsenator Benigno S. Aquino Jr., Salonga said that if ever there is an overwhelming clamor and she finally decides to run, "she must be exempted from fighting it (her candidacy) in any convention," Salonga said. MP Eva Estrada Kalaw, who also came here two weeks ago, and Salvador Laurel, head of the United Democratic Nationalist Organization (UNIDO), had both expressed willingness to yield to the widow of assassinated opposition leader Benigno S. Aquino Jr. should she decide to run. But they said she will have to submit herself to the decision of the National Unification Committee (NUC).

"Cory is not presenting herself as a candidate," said Salonga. "The draft going on for Cory is supported by many citizens and resisted by some opposition leaders," he said. Personally, Salonga said, he will not be an obstacle to her running, once she makes up her mind. If there is an overwhelming draft, Salonga said, he thinks most of the opposition's presidential aspirants will give way. The crucial question, he added, is whether Laurel will give way to Cory. "What Doy (Laurel) is trying to say is that he has a preferential right to it. I do not think anybody has a preferential right to the presidency," Salonga said.

Salonga also added that there are those in the opposition who are willing to give way to Cory but may not give way to Doy. When asked whether or not he is willing to be the running mate of Doy, should the latter be able to make it as the opposition's official candidate, Salonga said no. "(The presidential and the vice-presidential bets) cannot come from the same geographic area," he explained.

TOLENTINO URGES MARCOS TO RESIGN BEFORE ELECTIONS

HK110600 Hong Kong AFP in English 0454 GMT 11 Nov 85

[Text] Manila Nov 11 (AFP) -- Former Foreign Minister Arturo Tolentino today urged President Ferdinand Marcos to retire after 20 years in power and maintained that the chief executive must step down before he can run in a snap election. Mr Tolentino, a veteran lawmaker fired by Mr. Marcos from the cabinet in March for his independent political views, told a press forum here that he believed Mr. Marcos should now give way to younger leaders in his own party.

"To my mind 20 years is too long. The president may be tired already," the maverick member of the ruling New Society Movement (KBL) told the forum.

He charged that the country was now worse off than in 1972, when, Mr. Marcos launched more than eight years of martial law, and said that the president would get a "fail" mark if he were in school. But he quickly added that in urging Marcos, 68 to give way to younger leaders, he was not referring to the opposition. "There are other presidential possibilities in the KBL."

Mr. Marcos has been president since 1965 and won a six-year term after lifting martial law in 1981. He called for a snap election during a U.S. television interview on November 3, and later set a date of January 17. Mr. Tolentino warned that Mr. Marcos's refusal to step down before the poll would violate constitutional provision saying that a special election before 1987 can be held only if there is a vacancy in the presidency. The constitution says such a vacancy can arise only in the case of the incumbent's resignation, death, permanent disability or removal from office.

Mr. Tolentino, author of the 1984 constitutional amendment governing the presidential election, reiterated his opposition to Mr Marcos's announcement that he would resign on the day the winner of the snap poll assumes office. He said a letter of resignation due to be filed with the National Assembly today would be "useless", since Mr Marcos would merely stay on if he won and must step down if he lost the election.

He said it would be better to wait for the end of Mr Marcos' term in 1987 and "not risk a government that will be under a cloud of constitutional doubt."

Defense Minister Juan Ponce Enrile debated with Mr Tolentino on the administration's record, blaming external factors, particularly low world prices for the Philippines' top commodity exports, for the economic crisis. He said the now raging communist insurgency had existed even before Mr Marcos came to power and would have to be faced for years to come by any new leaders whether from the administration or the opposition. After questioning Mr Tolentino's views on the legality of the planned poll, he said only the Supreme Court could give the final word on the issue.

AQUINO CASE DECISION TO BE GIVEN 20 NOVEMBER

HK130257 Manila Far East Broadcasting Company in English 2300 GMT 12 Nov 85

[Text] The Sandiganbayan yesterday [12 November] announced that the decision on the Aquino-Galman double murder case would be handed down on November 20 at 3:30 a.m. The announcement followed a notice served on the 25 military officers and enlisted personnel and one civilian to appear before the court to hear the sentence promulgation. The notices were issued through deputy clerk of court Nenita Chico Nazareno. The promulgation date on the Aquino-Galman case was announced by presiding justice Manuel Pamaran. However legal experts said the promulgation of the verdict on the case next week may not be carried out because of the petition with the Supreme Court against the decision. The petition asked the high court to stop the Sandiganbayan from rendering a decision on the case and to order a retrial by another court and another prosecution panel. The petitioners charge that the Sandiganbayan and the Tanodbayan have abused their discretion and were apparently biased. The verdict will be handed down before presiding Justice Pamaran and Associates Augusto Maores and Bienvenido Veracruz.

AGRAVA BOARD MEMBERS DENY 'TRIAL BY PUBLICITY'

HL120152 Manila BUSINESS DAY in English 11 Nov 85 p 12

[By Gerry N. Zaragoza]

[Text] Two members of the Agrava Fact-Finding Board and three of its lawyers denied allegations that the majority of the probe body and its legal panel are engaged in a propaganda to discredit the Sandiganbayan in an effort to deny Armed Forces Chief of Staff Gen Fabian C. Ver his final vindication in the Aquino-Galman double murder case.

Andres R. Narvasa, general counsel of the board, on his own behalf, and that of board members Dante G. Santos and Luciano Salazar, lawyers Bienvenido Tan Jr. and Mario E. Ongkiko, filed a 33-page comment before the Sandiganbayan last week to refute the allegations of Ver's counsel that they are an alleged "orchestrated effort to continuously subject the accused to 'trial by publicity.'"

Antonio Coronel, Ver's counsel, filed a supplemental memorandum with the Sandiganbayan three weeks ago, complaining about the alledged trial by publicity. He alleged that the "vicious tirades and baseless criticisms" against the 26 accused in the Aquino case, more especially against Ver, have continued without let-up. However, Narvasa said that since Coronel's memorandum, including an earlier one, contain "not only serious inaccuracies and grave fallacies, but also, and more regrettably, offensive personalities towards the majority members of the defunct fact-finding board...and its counsel," the allegations cannot be allowed to remain unanswered.

He then asked the Sandiganbayan, which is trying the Aquino case, to include their comment as part of the public record of the case in the interest of fair play.

In the comment submitted by Narvasa to the Sandiganbayan, the two board members and the three counsels denied Coronel's allegation that although there was no evidence to show Ver's participation in the plot to assassinate former Sen Benigno S. Aquino Jr. -- as claimed by the board chairwoman herself Mrs Corazon Agrava -- the majority members of the board and Narvasa dragged in the name of Ver. Narvasa pointed out that Ver's participation in the offense consisted of 21 circumstances which the majority report of the board had cited, which were later adopted in the arguments presented by the prosecution.

Denying the charge that he and the majority members of the board are engaging in trial by publicity, Narvasa said they only refer to Ver in the context of the accusation against him, as laid out in public and official records. He added that they have never made any reference to any other aspect of Ver's professional or personal life.

Coronel's allegation that the board's majority members and Narvasa refused to testify before the Sandiganbayan was also denied. Narvasa clarified that when they were summoned to testify, they sought clarification on what they will testify about, considering that what they know of the airport shooting on Aug. 21, 1983 is only hearsay. Narvasa added that when it was explained by chief prosecutor Manuel Herrera that the purpose of their testimony was to identify the signatures on the board's majority report and to explain the photochronology prepared by the legal panel, they agreed that Alvino Arriero, the board's hearing secretary, could do the identification and Ongkiko the explanation. However, the Sandiganbayan subsequently declared it was no longer interested in their appearance before the court, Narvasa said.

As to Coronel's allegation that they "ran away from a good fight" or "refused to defend their findings," Narvasa said that there was no need for the majority of the board to defend their findings, although they are capable of doing so. He said that the reports of the majority and the board's counsel defend themselves, and being matters of public record, they are for all to see, read, understand and refute if they can be refuted. "It was Coronel's task to refute the reports, or more accurately, the findings and the evidence of the prosecution panel which had accepted and adopted said reports," Narvasa said.

COOPERATION ENCOURAGED BETWEEN PHILIPPINES, PRC

HK110742 Manila PHILIPPINES SUNDAY EXPRESS in English 10 Nov 85 p 2

[Text] Ilocos Norte Gov Ferdinand R. Marcos II called for closer cooperation and continued friendship between the people of the Philippines and the People's Republic of China [PROC] in a speech at a farewell dinner for the Chinese People's Association for Friendship with Foreign Countries (CPAFFC) held at the Nielson Tower, Makati last Nov 4. In a speech delivered for the governor by Ambassador Jonathan Mar dela Cruz, Governor Marcos said the CPAFFC's study tour here is an occasion for the country to "reciprocate Chinese people for their kindness and hospitality."

Governor Marcos was a recent visitor to the PROC, as special envoy of President Marcos to represent the country during the 10th anniversary of the opening of diplomatic relations between China and the Philippines.

"To this day, each of us who had the privilege of representing our country in commemorating the ten years of official relations between the People's Republic of China and the Philippines retains vivid memories about your country and your generous people who received us with utmost warmth and cordiality," the governor said.

Governor Marcos described this gesture as "symbolic of the amity and friendship between our peoples which have built up through the centuries and strengthened even more during the last 10 years following the resumption of diplomatic relations between our two nations."

Stressing the need for closer people-to-people contacts, Governor Marcos said that "our leaders may outline the basis of friendship and cooperation, but only our people can give them meaning and substance." He likewise urged the CPAFFC to get "more and more involved in its noble task of expanding goodwill, understanding, friendship and cooperation among nations and peoples, for these are true foundations of future peace and progress for all humanity."

During the toast, Governor Marcos extolled the people behind the CPAFFC for their "commendable task of fostering friendship among peoples."

The CPAFFC delegation was composed of: Wang Qiliang, delegation head and deputy director of Asian Department; Shao Xiping, Deputy Secretary-General, CPAFFC Jiangsu branch; Wu Wenjun (f), council member, CPAFFC Shanghai branch; Yang Xueyuan, research, Institute of Contemporary International Relations; Xia Guangshi, Officer, State Education Commission; Feng Haijun, interpreter, CPAFFC Guangdong branch; and Yang Fengshan, interpreter, CPAFFC National Office.

The delegation, which arrived on October 22, visited schools, media offices, factories, shrines, and met with government officials. Each member was given a book "Marking a Decade, Building for Tomorrow" published by the office of the Governor, Ilocos Norte, which documents the ten years of excellent RP-CHINA relations.

PHILIPPINES, INDONESIA DISCUSS BORDER CROSSING

HK080753 Quezon City Maharlika Broadcasting System in English 0700 GMT 8 Nov 85

[Text] The Philippines and Indonesia started yesterday their annual meeting on a border crossing agreement. The meeting is being held in Manado in Indonesia. The two countries' delegations are discussing matters relating to border patrols, border crossings, communications, and satellites. The Philippine delegation is led by Commodore Ideraho Elazo, while the Indonesian side is headed by Colonel Mamban Sadjaho, commander of the Indonesia Air Force based in Betul. The two countries have so far agreed to tackle the border crossing problem stage by stage.

VIRATA URGES ASEAN-EEC TRADE, INVESTMENT GROWTH

HK121123 Manila Far East Broadcasting Company in Tagalog 1000 GMT 12 Nov 85

[Text] Prime Minister Cesar Virata urged that trade and investment relations between ASEAN members and members of the European Economic Community should be expanded so as to promote ASEAN's progress. Virata said that ASEAN food products should be able to find a large market inside the EEC and thus make large profits.

INTERBANK LOAN RATE JUMPS TO 40 PERCENT

HK081536 Manila TIMES JOURNAL in English 8 Nov 85 p 8

[By Juanito Vicencio]

[Text] The interbank call loan rates jumped yesterday to a high of 40 percent from the previous high of 35 percent the other day after a three-month period of relative

The bankers said the interbank rates suddenly jumped from their low level of 10 percent following the announcement of snap elections to be held January of next year. The sharp increase represents a 400 percent rise in interbank rates and this may pull along other rates in the process. Other bankers said the sharp uptick of the rates was influenced partly by the flotation the other day of the 30-day Treasury bills worth about P200 million.

There were reports also that the CB [Central Bank] plans to float a huge chunk of five-year treasury notes to replace the dollar-denominated CBCIS (CB's certificates of indebtedness) which the CB decided to redeem before their maturity. The 30-day Treasury bills floated by the CB the other day offered a yield of 16.625 percent, much higher than the CB's previously quoted rate of about 15 percent last month.

This indicates that the CB is trying to reverse the trends of lower interest rates. It also more or less confirmed the bankers' forecast that the interest rates would jump with the expectation of much higher government spending for the scheduled elections.

Bankers said with more money in circulation, interest rates would begin to climb along with the inflation rate because there would be more pesos chasing fewer goods. The sudden rise in interbank rates could also affect the peso-dollar exchange rate which has been on the rise since two weeks ago. Already, the bond market has tightened in reaction to the rising interest rates. On the whole, the credit market may also somehow tighten a bit as more liquid banks shift large amounts of funds into the overnight money market.

PAPERS EXAMINE CENTRAL BANK QUARTERLY REPORT

BUSINESS DAY Analysis

HK120214 Manila BUSINESS DAY in English 11 Nov 85 p 2

[By Rigoberto D Tiglao]

[Text] The country's foreign exchange position was bolstered in the second quarter by the inflow of huge amounts of dollars from undetermined sources, according to a BUSINESS DAY analysis of the Central Bank's quarterly report to President Marcos released Friday.

According to the report, the so-called "errors and omissions" item in the CB's balance of payments (BOP) report amounted to an unprecedented \$654 million, an amount way above those reported in previous quarters which never exceeded the \$100-million level. The errors and omissions item in the BOP statement is used by both the CB and the International Monetary Fund (IMF) to indicate the amount of dollars either coming into the country or out of it that cannot be accounted for by the reported transactions of the CB or of commercial banks. While it is technically a statistical tool to reconcile reports from various entities -- for instance the Bureau of Customs's reports on imports and exports and the banks' reports on the dollar transactions they handled -- the errors and omissions item, following the rule-of-thumb that it should not exceed 5 percent of the final BOP figure, reflects the extent of unregistered capital flight (when the item is negative) or inflow to the country (when the item is positive).

The second quarter errors and omissions item -- a positive \$654 million -- was so huge, according to sources at the CB, that the CB staff in the past several months had been asked to double-check the figures on exports and imports which are reported to the CB by the National Census and Statistics Office (NCSO). The magnitude of the unexplained dollar inflow in the second three-month period of the year dwarfs the total errors and omissions figure for the whole of 1984 (a positive \$251 million), the figures for past years (negative \$387 million and negative \$481 million for 1984 and 1983, respectively, the years when capital flight was at its height).

With sources in the financial community involved in monitoring "unofficial" foreign exchange movements reporting that capital flight has in fact not stopped completely, the only explanation for the unexplained \$654-million capital inflow into the country, is that those who have huge stakes in the country, at least up to the next two years, are bringing back the dollars which they had previously salted abroad. At least three elections are scheduled up to 1987, the recently announced plan for a presidential snap election in January, the local elections in May and the presidential elections in 1987.

The CB report said the country's BOP in the second quarter showed a surplus of \$2.38 billion. This surplus was actually largely due to the fact that \$1.9 billion in debt service payments which the government had agreed in principle last May with international creditors to reschedule are reflected in the BOP statement as new foreign exchange loans. Without this rescheduling, the CB report said, the BOP surplus in the second semester amounts to \$454 million, more than three times the first quarter surplus of \$137 million. However, without the positive \$654-million errors and omissions figure which reflects the scale of unregistered dollars coming in, the country's BOP in the second quarter would have shown a deficit of \$200 million.

CB governor Jose B. Fernandez Jr.'s much-delayed report (it was dated Aug. 22) shows that the country's economic fundamentals had not improved in the second quarter. The current account balance -- that part of the BOP statement which reflects the bottom line of trade transactions and foreign exchange movements arising from services -- turned red with a deficit of \$128 million, reversing the first quarter surplus of \$13 million. This was largely due to the drop in exports, which went down in the quarter to \$1,175 million from the previous quarter's \$1,133 million at the same time that imports rose to \$1,381 million from \$1,189 million.

The CB partly blamed the rise in imports to the acquisition by the National Power Corp. (NPC) of a power plant barge system costing \$33.4 million during the period. Significantly, the drop in exports was traced partly to the decline in the exports of electronics (from \$288 million to \$265 million) and garments (from \$146 million to \$139 million), two nontraditional exports on which the government had in the past been banking to provide the engine for export growth.

The poor export performance was paralleled by a decline in foreign exchange receipts from overseas Filipino workers (roughly from \$177 million to \$179 million) and from tourists (from \$166 million to \$144 million). Fernandez's report also indicates that the CB has hardly improved the stability of the banking system. Overdrafts of banks and other financial institutions -- checks they issued which were not backed up by funds but which were honored anyway -- grew as of end-June to P8,482 million from the end-March level of P8,255 million. Their emergency loans from the CB also grew to \$4,026 million from the P3,950 million level.

SUNDAY EXPRESS Article

HK110748 Manila PHILIPPINES SUNDAY EXPRESS in English 10 Nov 85 p 9

[By Raul Marcelo]

[Text] The Central Bank (CB) has vowed to continue pursuing "unrelentingly" the rationalization and further strengthening of the country's financial system even as it reported marked improvements in various key areas of the economy during the second quarter of the year.

In a report on the economic and financial developments during the second quarter of 1985, made public only last Friday, CB Governor Jose B. Fernandez, Jr., pointed out that "sound financial institution and efficient financial intermediation" are necessary to sustain economic recovery and growth.

This rationalization plan refers to his so-called crusade for responsible banking which called for the formation of bigger and stronger financial institutions. The economic performance during the second quarter, Fernandez said, was marked by gains such as a surplus in the balance of payments (BOP), a stabilized exchange rate, the moderated increases in consumer prices and a prudent monetary and fiscal performance.

Based on the actual foreign exchange record during the second quarter, he said that the BOP reflected an overall surplus of \$1,619 billion, which would be bigger at \$2.38 billion when adjusted for arrears. This was mainly due to the substantial net inflow of \$2.076 billion in the capital account arising from the rescheduling of \$1.926 billion in maturing long-term loans, Fernandez said.

The value of the peso, on the other hand, strengthened against the U.S. dollar during the period despite the liberalization moves in the foreign exchange market, he added. As of end-June, he said that the reference rate of the Bankers Association of the Philippines (BAP) stood at P18.465 to a dollar, or an appreciation of 6.6 percent from the end-December 1984 level of P19.76-\$1.

The other highlights of the second quarter report are:

- exports reached \$1.175 billion from \$1.133 billion during the first quarter, while imports rose by 16.1 percent to \$1.381 billion;
- total foreign exchange liabilities dropped by \$223 million from the end-1984 level of \$25.318 billion to \$25.195 billion because of a decline in banking sector obligations following the fall in deposits of foreign banks;
- the CB's gross international reserves expanded by \$449 million to \$1.037 billion, or 76.4 percent higher than the level during the first quarter;
- domestic liquidity expanded by only P1 billion or 0.8 percent during the period to P121.2 billion, reflecting the gradual relaxation of monetary policy through lower rates for government securities;
- the financial system continued to grow with total resources reaching P491.4 billion, or P4.8 billion more than the end-1984 level;
- the budget deficit rose to P1.7 billion from P1.4 billion during the first quarter as expenditures reached P19.8 billion as against revenues of P18.1 billion;
- the financial rate continued to decelerate to an average of 33.1 percent from 42.4 percent during the first quarter.

END OF

FICHE

DATE FILMED

15 NOV 85

